HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 28, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, we praise Thee that behind the ebb and the flow of this ageless world is Thy spirit, which cannot die. The material things will fulfill their function and pass away, but the thought of man is higher than them all. Because we are Thine, made in Thy image, be with us in our aspirations; prevail at every point to make Thy counsel stand; correct the false and strengthen the weak. O let our finer instincts attain supremacy, and nourish in us the genius of heavenly love and power. Holy Spirit, be in us a purer and a diviner flame; may we have the qualifications of true workers for God and humanity. In the love of God, in the grace of Jesus Christ, and in the communion of the Holy Spirit may we have the satisfying and the abiding sweetness of life. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed bills of the House of the following titles:

On March 27, 1934:

H.R. 5863. An act to prevent the loss of the title of the United States to lands in the territories or territorial possessions through adverse possession or prescription; and

H.R. 7966. An act to authorize the Postmaster General to accept and to use landing fields, men, and material of the War Department for carrying the mails by air, and for other purposes.

HENRY A. BARNHART, GENTLEMAN AND FRIEND

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objections?

There was no objection.

Mr. LUDLOW. Mr. Speaker, a congenial, generous soul that once adorned these legislative halls and made everybody here happy by his presence passed through the portals of the unknown land day before yesterday.

The oldtimers in this great legislative body well remember Henry A. Barnhart, of Indiana, and news of his death has brought deep and sincere sorrow to the older Members of this House, who knew and loved him.

The sad tidings of his departure has been received with silent and reverential respect in the cloakrooms that used to reverberate with laughter when he assumed the role of entertainer, for in his heyday there was not among all the Members of this great body and among all the public officials at Washington his equal as a story-teller.

For 11 years, as a Member of Congress for the old Thirteenth Indiana District, he spread joy and sunshine around these legislative halls. His wholesome and infectious humor was a soothing balm to troubled spirits and contributed mightily to make congressional life worth living.

As an impersonator he was without a peer, and his mimicry was doubly enjoyable because it never left a sting. When he imitated Champ Clark's booming voice in Missouri dialect he seemed more like Clark than Clark himself. Gen. Isaac R. Sherwood, with his high falsetto voice, was no more real in the flesh than when he spoke through his Hoosier interpreter. One of the perennial delights of the Democratic cloakroom was Mr. Barnhart's florid rendition of Percy Quin's famous speech:

> Gentlemen of the House, there comes a time in the lives of all of us when we must rise above principle!

The plantation humor of good old Ben Humphreys, of Mississippi, lived over and over in Mr. Barnhart's impersonations of that quaint character and he could portray Jo Byrns, Jack Garner, or Henry Rainey with uncanny realism. For a long time after he quit Congress he made what he called a "hegira" once a year back to Washington and his coming was always hailed with delight by his old cronies because it always marked the beginning of the open season for a fresh rendition of the old stories that never lost their charm or any of their delectable qualities in the retelling.

Mr. Barnhart was made of the best quality of Hoosier homespun. He possessed a ruggedness of character that reminded one of something majestic, like the beauties of Lake Manitou or the gorgeous loveliness of the hills of Brown County clothed in the marvelous tints of autumn. His greatness was elemental and was composed of many virtues, outstanding among which were honesty, sincerity, and friendship of such quality that the older it grows the tighter it binds. It seemed so fitting that he should be always happy, because he made everybody around him happy.

All his life he was a newspaperman and, as one who also belongs to the fourth estate, I believe his newspaper experience gave him the human touch. His sympathy was abounding and his interest in people was intense.

He also loved his dog and, to my way of thinking, that is an omen of character. I have never known a man who loved dogs as Mr. Barnhart loved them who was not a good man. His eulogy on dogs is a cameo of literature, as perfect as Senator Vest's tribute to that faithful animal.

Mr. Barnhart died in the fullness of years, honored and revered by everybody in his home community where he had long been hailed as the first citizen. He was not called suddenly, but it seemed as if Providence, realizing the love that bound him to mortals, gave him, even after the seal of death was on him, opportunities to tarry yet a while. He had ample time to fold the draperies of his spirit about him before he entered the presence of the Great King and he finally went so quietly and peacefully it seemed he was not dead at all, but that in the language of the immortal Hoosier poet—

> With a cheery smile and a wave of the hand
> He vanished into an unknown land.

It is sad to part with one who was so sterling and so true, but we may find comfort in our simple Christian faith that when we, too, cross the borders of the unknown land we will find this true and loyal friend awaiting us.

RECIPROCAL TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R.8687) to amend the Tariff Act of 1930.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 8687, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield 12 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, conditions existing in our country today are such that we, the elected representatives of the people, should think long and well before we enact this legislation, which, from every indication, is already adding to the millions of unemployed industrial workers who are denied an opportunity of profitable employment.

Reports which I have received from workers' representatives in my district indicate that there are thousands of workers unemployed today who had a job the early part and up to the middle of February.

During the past 10 months Congress has appropriated and spent billions of dollars of the people's money in an effort to eliminate unemployment among our industrial workers and to relieve distress among our agricultural workers.

Congress has decreed, through the N.R.A. and the three A.'s, that industrial workers shall not be employed for more than 40 hours per week and that farmers shall curtail their

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production; that children shall not be employed in mills and factories.

Despite these measures we still have some ten or eleven millions of industrial workers unemployed, and we still have among our farming population many hundreds of thousands who are still in need of help.

We are now asked to pass a bill the very nature of which will eliminate the benefits which we have hoped for through the enactment of the legislation to which I have just referred.

Is it possible that any Member of this House expects the South American or Central American farmers to curtail their production as a result of any reciprocal trade treaty into which we may be inveigled?

Is there any Member of this House who expects that European or Asiatic countries will establish the 40-hour work week for their workers and eliminate child labor as a result of any reciprocal trade treaty to which the officials of our State Department may agree?

The answer is obviously "no." Yet the Members of this House are asked to enact this legislation and authorize the officials of the State Department to enter into reciprocal trade treaties with foreign governments whereby the products of the farms and the factories of those countries will be delivered into our American market at total delivered costs which are less than American costs of production.

The Committee on Labor has unanimously reported a 30-hour work week bill with the same wages to be paid for the 30 hours' work as the workers now receive for 40 or more hours per week. The Committee on Labor expects this bill to pass the House within the next few weeks and to become a law at this session, as, it is conceded by all fair-minded persons, it is only through the enactment of such legislation will it be possible to find employment for our ten or eleven millions of unemployed workers.

The Congress has passed legislation through which we have forced the curtailment of production on the part of American farmers, and we have placed a processing, or, better said, a consumers' tax on the products of the farm, to be paid by the millions of our industrial workers to recompense the American farmers for the acreage which they have withdrawn from production. Incidentally, it is interesting to note that no representatives of the industrial workers have protested or opposed the placing of this processing or consumers' tax for the benefit of the farmers.

The reason for the cooperation of the industrial workers and the farmers is obvious. Their interests are common. One cannot be prosperous without the other being prosperous, and personally I rejoice to see them working in harmony with one another.

The employed industrial workers constitute the backbone of the market which consumes the products produced on the farms. The purchasing power of the American farmers makes possible the employment of our millions of industrial workers.

When we enact legislation which will bring back prosperity to the industrial workers and the farmers of our country, the rest of our people will be better able to care for themselves.

Personally, I have voted for all this legislation, as I believe it is the duty of the Congress particularly to look after the affairs of our industrial workers and our farmers. They constitute the backbone of our population.

No Member of this House will charge me with voting on a sectional basis.

Therefore, I feel free to point out to my friends in the House, and, especially to the members of my own party, the dangers which confront the people of our country and especially those representing the Democratic Party, if we should pass this bill.

This bill, even while under consideration in the House and before the Ways and Means Committee, has resulted in depriving hundreds of thousands of industrial workers of an opportunity of a job.

There are few, if any, factory owners who will provide employment for industrial workers, on products which are ordered for delivery, say 3 or 6 months ahead, while serious consideration is given to the passage of this pending bill. Should this bill be enacted into law, I doubt if any factory owner will produce anything except those goods which have a ready market and which do not have to meet the competition of foreign-made goods until he has received definite assurances that foreign articles, comparable to his production, will not be sold at prices below his costs of production.

Even were the factory owners willing to take a chance, they would not be able to do so. Almost every factory owner is more or less dependent upon the credit which he secures from the banks. It is common knowledge that credit is scarce at the present time, and, with this legislation under serious consideration, there are but few banks which will extend credit to the factory owners for the production of any merchandise, unless that merchandise will be paid for within the next few months.

Of course, the smaller producers, who have a limited credit with the banks, will be hit harder than will those large corporations, who, through agreements among themselves, and, through the suspension of the antitrust laws, practically constitute a monopoly.

Reports which I have received from my own district, from Lawrence where some of the finest cotton and woolen goods are produced, from Lynn where the finest shoes in the world are produced, from Peabody and Salem where some of the finest leathers in America are produced—to name but a few of the industries located in my district—indicate that since the middle of February, when it was definitely made known that this legislation would be insisted upon, many thousands of industrial workers have been laid off with no intimation of when they would be again reemployed.

That which is true of my district is likewise true of industrial conditions in other sections of New England, in New York, in New Jersey, in Pennsylvania, and sections of the Middle West.

Mr. Chairman, I can recall as a boy when the entire New England States were represented by one lone Democratic Congressman. I can recall the time not many years ago when the Democratic Party of New England did not have a representative in the Senate of the United States.

Those who made possible the growth of the Democratic Party in New England fought for principles. They believed in the principles of Jefferson. They believed that the Democratic Party was the party of the common people and not the party of class or privilege. Finally, after years of sacrifice and education, the seeds which they well planted came to life, and today we find the Democratic Party of New England represented in this House by 12 Members out of a total of 31. In the Senate the Democrats of New England are represented by 4 Members of a total of 12. In the 6 New England States we have our four largest States presided over by Democratic executives.

Next November the people of New England will vote for 6 Members of the Senate and 31 Members of the House.

Their verdict will be registered largely upon the record of this Congress, and, I regret to say, the decision of the Congress on this bill will have a large influence in the coming campaign of those States.

As one Member of the House I want to make my protest known against a policy wherein the Members of the House have been continually placed on the spot. So far as I have been able to learn, there is nothing definite known as to what will happen when this bill reaches the Senate.

If this bill should be enacted into law, which I hope will not happen, the Republican Party of New England will find many willing listeners to their plea for votes, I regret to say, among the unemployed industrial workers.

The workers of America want profitable employment and an opportunity to bring to their families sufficient wages each week to maintain decent standards of living. The farmers of America want a market for their products. Unless the industrial workers are employed and earning fair wages with which they can purchase the products of the farm, there can be no prosperity for the farmers.

What are the facts? The Tariff Commission recently submitted an exhaustive report to the Congress. This report shows that we, in America, consume more than 95 percent of the products which we produce each year. This report also shows that, here in America, we do more than one half of the trade of the entire world each year.

This report shows that there are but a few products which we export in any great quantity. They are cotton, of which we export about one half of that which we produce and with a foreign demand lessening each year. Wheat, of which we export less than 20 percent of what we produce. Tobacco, of which we export about one half of what we produce. Pork products, of which we export a percentage of what we produce. Copper, of which we have in the past exported some 20 percent of what we produced.

So far as our exports of copper go, the producers of American copper fully realize that they cannot continue to compete in the foreign market with the products of the near-slave labor of the Belgian Congo, with wages paid in the Belgian Congo, I am told, of some 5 cents per day.

Two years ago, to help relieve the distress among the copper miners and the copper producers of Arizona, New Mexico, Montana, Michigan, and other States, Congress placed an excise tax of 4 cents per pound on all imports of copper. Senator ASHURST, of Arizona, one of the leading Democrats of the Senate, only yesterday presented an amendment or announced that he would sponsor an amendment to this bill providing an import tax of 10 cents per pound on imports of copper, and, further, asked Congress to purchase all the available supply of copper in order to make possible the employment of workers in the copper mines of our country. I do not believe it necessary to remark that the American producers of copper are not looking for any foreign market for their products.

The Tariff Commission report shows that our exports of tobacco last year were sold at an average price of 18 cents per pound. The import duty on tobacco is 55 cents per pound. Does anyone expect that this duty will continue if we engage in the making of reciprocal trade treaties with foreign governments?

Personally, I do not believe that we need look for any foreign market to consume our surplus production of wheat and pork products. If the industrial workers were fully employed, at decent wages, I believe they will supply a better market for these products than we can find in any foreign country.

The one commodity for which it is essential that we have an export market is cotton.

One of the reasons for our present oversupply of cotton is the development of rayon. So far as I know, the principal rayon mills of our country are located in the Southern States. The foreign market for our cotton is, I am led to believe, fast diminishing.

At the present time the cotton planters of the Southland are forced to compete with the cheaper-produced cotton of the Asiatics.

This type of competition does not permit of the cotton planters of the South getting a fair price for their product. I am as much opposed to having the cotton planters of our country forced to compete with the intolerable near-slave conditions of the Asiatic countries as I am in having the industrial workers of New England forced to compete with the coolie labor of the Orient.

One of the great outlets for our cotton is Japan. It is to be expected that Japan will be one of the foreign nations with which we will be expected to enter into reciprocal trade relations. The one great ambition of Japan is the elimination on our part of the Asiatic Exclusion Act. The setting aside or, at least, the modification of that act will be demanded by Japan before she will agree to enter into any reciprocal trade treaty with us. This is not an idle dream, as those who read the Washington Merry-Go-Round may have noticed in the Washington Herald of Tuesday—yesterday—that Secretary of State Hull is credited with already arranging to ask for the repeal of the Asiatic Exclusion Act. Is it possible that the people of the Southland will tolerate such a surrender on our part even though it were possible to dump some of our surplus cotton in that country?

To my mind, the Congress of the United States, in fairness to the people of the South, realizing that the great basic product of the Southern States is cotton and, further, that we must have an export market for that one great commodity, should make it possible for the cotton planters of the South to secure a decent return for their product.

I believe that we would help the cotton planters and we would be acting in fairness to the entire American people if, instead of jeopardizing the success of the recovery program by passing this legislation, we enacted a law whereby the cotton planters would receive a bonus or a bounty of say 5 cents per pound for each pound of cotton which is exported to foreign countries. This bonus or bounty should be paid only to the cotton planters, not to the New York and Chicago speculating gamblers.

The greatest market in the world is the American market. The one market in the world for which the Congress can legislate is the American market. Let us legislate for America.

The American people are fair. All of the propaganda which can be or may be put forth claiming that this bill, when enacted into law, will help millions of industrial and agricultural workers, falls flat when we find in the recent exhaustive report of the Tariff Commission that less than 500,000 industrial and agricultural workers combined have been deprived of employment through the loss of our foreign trade. In other words, the complete recovery of the foreign trade, which we hear so much about, would provide employment for only 5 percent of our millions of unemployed.

Mr. Chairman, I trust the Members of the House will bear in mind that our exports are valued on a basis of American values, while all our imports are valued on the basis of value in the European or Asiatic countries whence they come.

Mr. Chairman, the passage of this bill by the House will do more to retard the program of recovery instituted by our honored President than any one act I can think of. I sincerely hope that the Democratic Party will not make it possible for our Republican opponents to go before the American people and question the sincerity of our efforts to better the conditions of the great mass of the industrial and agricultural workers of our country. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Chairman, the debate on this bill indicates that the cleaveage between those who favor the passage of the bill and those who oppose it goes deeper than the old sectional division between those who represent industrial sections to be benefited by a high tariff and those who represent agricultural sections that have never received any substantial benefits under the Republican policy of protective tariff. It goes to the heart of the fundamental issue of whether this Nation shall follow a course of isolation and endeavor to be economically self-contained or a policy of trading with the other nations of the world, sometimes referred to as the "internationalistic theory." In his very able discussion of the bill on last Friday, the distinguished gentleman from Michigan [Mr. WOODRUFF] said:

> The only conceivable future we can hope to face under the internationalistic theory is a reduction of American living standards to the level of that of the pauper-ridden countries of the Old World and the Far East.

I take issue with my distinguished colleague on that theory. I feel that our Secretary of State, Hon. Cordell Hull, more correctly summarized the situation when he stated before the National Press Club last month that "International trade is the lifeblood of civilization." In fact, on Monday one of the leaders of the Republican side disclaimed any intention on the part of the Republican leadership to commit this Nation to a policy of economic nationalism.

The distinguished gentleman from Texas [Mr. SUMNERS] has ably pointed out that the constitutional point raised by

the opponents of this bill is not well taken. And it may not be amiss to call attention to the fact in that connection that on almost every major measure of the new deal some Republican opponent has insisted that the measure was unconstitutional, yet none of these measures has as yet been declared unconstitutional by a court of competent jurisdiction.

Realizing that the power conferred upon the President to raise or lower existing tariff rates by 50 percent is the same power that was conferred by a Republican Congress upon a Republican President, certain opponents of the bill have based their main objection to it on the ground that the trade treaties to be negotiated by the President will not have to be confirmed by the Senate, and that, therefore, the Congress will be abdicating its rights and duties in the premises. To this, advocates of the bill have replied that there are precedents for the conferring of such power upon the President and that in any event the whole effectiveness of the proposal will be nullified if each trade treaty must be referred to the Senate for approval before it becomes effective. In the first place, it is not likely that many of the trade treaties could be negotiated prior to the adjournment of the present session of the Seventy-third Congress, and, therefore, all efforts on the part of the President to win back through the negotiation of reciprocal trade treaties some of our lost foreign commerce would have to be held in abeyance until Congress reconvened on January 3, 1935.

We have likewise had a recent illustration of the time it takes the Senate to dispose of a treaty, the Inland Waterways Treaty with Canada having been before the Senate for approximately 2 months before it was finally acted upon. Assuming that 2 months would be a fair time for senatorial action, the negotiation of even 20 trade treaties would require nearly 2 years of continuous consideration by the Senate before all of them could be made effective, if at all. It should, therefore, be apparent to all fair-minded men that the real issue involved is whether or not we shall trade with other nations or endeavor to be self-contained, and I feel that those who vote on this bill should squarely and frankly face that issue, and determine their support or opposition accordingly. If we are to be a self-contained nation, let us frankly face the fact that we are producing in the United States more cotton, wheat, tobacco, apples, and hogs than are now being consumed domestically, and more than ever will be consumed.

The Secretary of Agriculture said that to be self-contained we must eliminate from agriculture at least 40,000,000 acres of land, which, of course, will involve the transfer from farming to some other activity of three to four millions of farmers and farm laborers. Let us frankly face the fact that to be self-contained we must strictly regiment not only the cotton growers, as we propose to do under the Bankhead bill, but likewise the wheat growers, the tobacco growers, the apple growers, the hog growers—in fact, everything that is now produced on the farm. If we are to be self-contained, let us frankly face the fact that there will come inevitably conflict between the 30 millions now directly dependent for a livelihood upon agriculture and those who labor in our mills and factories. Should the income of our farmers be artifically raised to a level with the wages of organized labor, the tendency will be for the cost of living from that point to rise faster than wages.

We have already had a good illustration of what it costs the consumer to artifically raise the income of one small class of farmers, namely the beet farmers of the United States. The subsidy granted that farm industry by the Hawley-Smoot tariff is costing the consumers of the United States about $200,000,000 annually, an amount almost sufficient in any normal year to buy out the industry, lock, stock, and barrel, and likewise sufficient in any normal year to buy the entire acreage engaged in the raising of beet sugar at a valuation of $200 per acre. There are at the present time about 200,000 farmers and farm laborers engaged in raising sugar beets, and considerably less than that for the past 5-year average, and about 30,000 engaged in the beet-sugar mills. In the district in Virginia from which I was elected to the House, there are nearly 100,000 more people than the total number engaged in the beet-sugar industry, and six times as many acres as there were acres planted in sugar beets, even in the big year of 1933. No one has proposed under the pending bill to put the beet-sugar industry out of business, or to unduly hamper its present operation. All that has been contended is that it has been an expensive luxury and should not be further expanded at the expense of the general consumer. If instead of being scattered over 16 normally Republican States the beet-sugar industry had been confined to my district in Virginia, I have an idea that the Congress that framed the Hawley-Smoot tariff bill would have given to beet sugar the same protection that it gave to Virginia pine pulpwood, namely, none at all.

The distinguished gentleman from Michigan [Mr. WOODRUFF] contended that the loss of our foreign markets for farm products was a natural and normal economic evolution. In the first place, the fact remains that this so-called "economic evolution" did not occur until after the passage of the Hawley-Smoot tariff bill and not until long after our best European markets had felt the full and devasting effect of the World War, which meant for so many of them poverty and suffering. It was freely admitted by the European delegates to the London Economic Conference of last June that the policy adopted by the United States in the enactment of the Hawley-Smoot tariff had forced the nations with which we formerly traded to adopt trade barriers in self-protection. Had we held our 1929 ratio of world trade we would have exported $700,000,000 more than we did in 1932. Take the case of France, for instance. The impetus for the extreme nationalistic spirit in France was undoubtedly given by our high protective policy. All our farm exports to France after the enactment of the Hawley-Smoot tariff fell off tremendously; the export of apples to France declined as much as 52 percent. France placed a tariff of $1.75 per bushel against our wheat and urged French farmers to produce enough wheat to feed the nation. That certainly was no economic evolution. I do not know the exact tariff that France placed upon our beef, but I do know that last summer the cheapest cuts of beef sold in Paris at 30 cents per pound, and beefsteak at $1.25 per pound, while our markets were so glutted with a surplus of beef that our farmers could scarcely realize 2 cents per pound for prime steers. What was the result of this policy of economic nationalism in France? Living costs went up faster than wages and there were constant labor strikes and industrial troubles. The price of wheat and other farm commodities went so high there was a buyer strike, and the farmers who had been encouraged to raise more and more wheat had it on their hands without a market. A ministry fell on January 31, 1933, another fell on October 20, 1933, another on November 24, 1933, another on January 30, 1934, and another on February 8, 1934.

When the French delegates reached the London Economic Conference, they appealed for some international agreement and a quota system on wheat to relieve France of the disastrous effect of its efforts at being self-contained, but Australia was unwilling to make concessions, Argentina was unwilling to make concessions, since these countries, like the United States, had conceived the bright idea that they could continue to sell to other countries but not continue to buy. We can learn something from France with respect to unsound money. We can learn something from France with respect to economic nationalism. Should we ever adopt such a policy in this country, we can expect class warfares and disastrous consequences.

I do not believe in artificially raising the necessities of life that come from the farm above the ability of the average consumer to buy; I do not believe in the regimentation of our farmers as a permanent and continuing policy; I do not believe that we have any right to say to some 3,000,000 farmers: "You can no longer engage in that type of making a livelihood for which you are best qualified by both inheritance and training and which you prefer." It is not our gothams but our rural sections where we find that strongest

allegiance to our established institutions and where we find best exemplified the sterling qualities of character that are so essential to the perpetuity of a nation.

Both the distinguished gentleman from Massachusetts [Mr. TREADWAY] and the distinguished gentleman from Michigan [Mr. WOODRUFF] express the belief that our foreign markets are irretrievably lost and that we will never supplant those nations that now have the foreign trade that we once enjoyed. I think I can demonstrate to you the fallacy of that with respect to the export of just one farm commodity—apples. Our State Department negotiated its first trade treaty with France in connection with the importation of French wines.

Prior to the enactment of the Hawley-Smoot tariff not a single nation had erected trade barriers against American apples, and our normal export of apples amounted to an average of 21,000,000 bushels per year, which was 20 percent of our commercial crop and about 50 percent of the commercial crop in the district I represent. The principal apple-exporting States are Washington, Oregon, California, Montana, and Idaho in the West; and Virginia, West Virginia, Maryland, Pennsylvania, New Jersey, Delaware, and New York in the East. The 5-year average up to 1932 of the value of export apples was $28,362,052, which meant 100,000 carloads of freight and 100,000 carloads for trucks. It may surprise some to learn that the export value of apples ranked next to wheat and cotton and thirteenth in the list of all commodities exported by the United States. What happened when other nations of the world decided to retaliate against the United States? Did they buy their apples from other countries? Impossible, because it takes from 12 to 15 years to bring an orchard into bearing; and yet our exports for the 1932–33 year fell off 33 percent; 38 percent in the British markets, our best customer, and 52 percent in France. And then, as I have said above, the State Department negotiated one trade treaty with France whereby France agreed to accept 20,000 metric tons of apples in return for the privilege of shipping us wines that the citizens of the United States seemed very much to want, and the importation of which, to some measure, prevented local producers of wine from gouging the public.

Under this arrangement we promptly shipped to France 1,160,000 bushels of apples, and the price at port, which had been about a dollar a box, doubled. That was more apples than we had ever shipped to France during any similar period, and France has since agreed to accept an additional 5,000 tons. The apples shipped to France did not, as one speaker has contended, lie on the docks and rot. A few French importers failed to procure the required Government certificate for the importation of American apples and they had some difficulty in disposing of them. A few of these may have rotted on the docks, but most were reshipped to other countries. It is true that after entering into this agreement with us France boosted her tariff on apples from 30 francs per quintal, which is about 4 bushels, to 125 francs, but this tariff rate was maintained only 1 week, when the original tariff of 30 francs was restored.

Gentlemen have asked how the President would use the powers to be conferred upon him by this bill. I answer that there is a $38,000,000 export business in apples that will be in great distress without foreign markets, and if the apples of the eastern and far-western export States can only be sold in our domestic markets the Midwestern States that produce primarily for home consumption will find their markets ruined.

The Democratic platform, upon which the Democratic Members of this House were elected, advocated reciprocal tariff agreements with other nations, and this is our opportunity to carry out that platform pledge. Our President is committed to a competitive tariff policy, and therefore no Republican Member of this House has the right to assume that he will negotiate a trade agreement that would admit foreign goods on an unfair noncompetitive basis. And the representatives in this body of industry should realize that the farmer is industry's best customer. If the farmer cannot sell his surplus crops abroad, he cannot purchase the products of industry; and when the farmer cannot purchase, unemployment in industry commences and a general stagnation, such as we have witnessed for the past 3 years under our policy of isolation, results. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. I have tried to approach the problems involved in this proposed legislation from the standpoint of the general effect upon the country and then from the narrower view, the effect upon the district which I represent. I am frank to say that there are industrialists in my district who are in favor of this legislation, and they approach it from the standpoint of the possibility of reciprocal trade agreements. In viewing the question as to how I should vote on the proposal I have had in mind the suggestions which I have received from these same industrialists, some of whom are Republicans, to determine if in the larger aspects the benefits that they may derive—and I concede there are some—will outweigh the disadvantages. In this connection I was very favorably impressed with the remark made by the gentleman from Ohio [Mr. MARSHALL] when he said that under no circumstances did he want to intrust to the traditional enemies of tariff in this country the administration of an act which might under the most favorable circumstances mean doubt and uncertainty for every industry in the country. On the basis of the general effect of legislation of this character I have determined to vote against it.

I favor the idea of reciprocity. The possibility of tariff reductions in certain schedules even to the extent of 50 percent through reciprocal trade agreements does not alarm me in the least. I am not so deeply concerned about the constitutional phases of this legislation, but it occurs to me that when we pass a bill of this kind we strike at the very heart of the recovery program, because there is nothing that strikes terror to the hearts of human individuals more than uncertainty and doubt. This is exactly the way you are going to leave industry in this country when you pass a piece of legislation of this kind.

When you deal with industry you are dealing with individuals. The owners of a factory are not the only individuals involved. The laborers who man the plant and the producers of the raw material that are required to make the finished product, the citizens of the community dependent for their very existence upon such an industry are the subjects of the harmful effects of legislation which defines no policies, follows no principles, and leaves only doubt and uncertainty in its wake. Where in this entire debate can you show me a person who has dared to explain what product of the American farm or factory is to go on the bargain counter to be traded for foreign importations. That remains a secret locked in the bosom of men who have indicated by their utterances that they propose to trade away any industry which they have seen fit to label as inefficient. Cheese and sugar are two products of the American farmers which have been mentioned as inefficiently produced in America, and presumably they have been marked for slaughter if these men are invested with the authority to enter into trade agreements with foreign countries.

Let me at this point insert portions of a letter I received on this subject:

> The competition which is working against manufacturers of wood-slat porch shades in the United States and which may eventually put us all out of business unless it is stopped, is the competition brought about by the importation from Japan of what is known as "wide-slat painted bamboo porch shades." These porch shades are imported by various importers.
>
> Dealers inform us that they are being quoted by Wolf-Galluspan & Sons, 682–688 Grand Street, Brooklyn, N.Y., on wide-slat painted bamboo porch shades, which look very, very much like our porch shades and are made in the same way and painted in the same color, a price of $1.60 for a porch shade 6 feet wide with a drop of 6 feet 8 inches, while we are obliged to get, in order to pay the wages we pay, the price we pay for lumber, cord, twine, taxes, etc., included in the cost of manufacturing our porch shades, $3.88 for our porch shade woven 6 feet wide with a drop of 7 feet. That is, merchants can buy imported bamboo porch shades, wide slat, the style we make, painted green, the style we also make, of the above firm for $1.60; and these importers get these bamboo shades in Japan, pay the freight from Japan, pay the present high import duty, and still sell them for

$1.60 to the stores in the United States in competition with us who are obliged to get $3.88; and I will frankly state that there is very serious doubt whether the price we get for them, $3.88, will cover the cost of the shades to us this year.

Would it be fair to say that because Japan can produce a shade at a cheaper price than it can be produced in America under American conditions and by free American labor that this industry should be wiped out? This is not an isolated case. It is typical of thousands of American products, and yet we are asked to blindfold ourselves and vote industry into the uncertain position where they may be wiped out of existence by the stroke of the pen and without so much as a hearing. In the face of the President's recent request that industry increase employment and increase wages you now propose to these same industries now in competition with foreign manufacturers that they may at any time be face to face with a reduction in what tariff protection they now have. My contention is that you block recovery with any such proposal; I repeat that doubt and fear and uncertainty of the future will lead industry to contract rather than expand their activities, all of which decreases employment and purchasing power.

Without destroying the effectiveness of a reciprocal tariff bill the right to a hearing could be added, and the policy upon which the treaties are to be based could be defined. Labor, industry, and our farmers have a right to be heard; they have a right to protect their interests, and I do not propose to vote for any measure which is inimical to their interests and clearly contrary to American ideas and ideals.

Mr. TREADWAY. Mr. Chairman, I yield 11 minutes to the gentleman from Massachusetts [Mr. ANDREW].

Mr. ANDREW of Massachusetts. Mr. Chairman, in order to understand what this bill really means and the motives back of it, one has only to bear in mind the extensive tariff powers which Congress has already given the President and the form in which they have been granted. From much of the discussion of the last 3 days one might gather that under present law the President is estopped from taking any quick action on the tariff in response to rapidly changing conditions throughout the world. I want to remind you that such is not the case, that Congress has by a series of acts given the President a large measure of authority to make changes in the tariff by Executive order and that these grants of authority are still valid and at his disposal. The essential point which distinguishes the powers already given him from the power which the President's advisers are now asking for, is that Congress hitherto has always formulated the general principles and fixed the general rules under which he can act, and that now his advisers want all of these rules and principles abrogated. What they want is unrestricted power given him to manipulate the tariff according to their own notions without the interference of any check or guidance. It is only when you realize this fact that you can grasp the full significance of what the President's advisers are now demanding in this bill.

For the purpose of clarifying this statement, let me instance some of the powers over the tariff which we have liberally given the President, and point out how in each case Congress has named the conditions and determined the policy under which he should exercise them.

First. In the so-called "flexible clause" of the Tariff Act of 1930, Congress gave the President the right to raise or lower customs duties by as much as 50 percent in either direction. But in that measure Congress at the same time established two rules to control his action. He could decree such changes in the tariff only for the purpose of equalizing domestic and foreign costs of production, and these changes must have the recommendation of the body of experts, of his own appointing, known as the "Tariff Commission." It may be worth recalling that only twice has he taken advantage of this right to increase duties, while on four occasions he has used it to reduce them.

Second. In the same act Congress gave him further power to make changes in the tariff. It provided that whenever he found that the foreign production or export of any dutiable commodity was being directly or indirectly subsidized he was to decree countervailing duties upon the imports affected. Congress in this case ordered the Secretary of the Treasury to investigate and ascertain to what extent foreign governments were aiding, either the export or the production of commodities coming into this country, and he was then to levy additional corresponding duties upon their import. It should be noted that although this was a grant of power for the protection of American undertakings against unfair foreign competition, there is no evidence whatever that the present administration has made any endeavor to follow the instructions of Congress in this regard. It has never sought to ascertain which foreign industries or how far such industries are being subsidized, and it follows that it has never levied any countervailing duties.

Third. Under the act of last year which established the N.R.A., Congress gave the President greater authority over the tariff than had even been given a Chief Executive before, and again Congress named the conditions for its application. He was given blanket powers to fix the terms and fees for the entry of commodities, wherever rising costs of production in America, due to the N.R.A. codes, caused danger of foreign competition. Congress authorized him for this purpose not only to change the customs dues by Executive order, it authorized him to transfer articles from the free to the dutiable list; it authorized him even to declare embargoes.

Here also it must be observed that the President and his advisers have not given the slightest indication of any intention to use this power. American industry is now operating under innumerable codes throughout the country. Under them, the hours of labor have been reduced and the wages of labor have been increased. The American costs of production have been heavily raised, and the domestic level of prices is surging upward. Competing foreign producers have inevitably been benefited not only because increasing domestic costs hinder our export trade but because they help foreigners to undersell us in our own markets.

Yet, although the situation would justify the President's use of the power that Congress gave him for the protection of American industry and of American labor from the conditions brought about by the codes, and which are clearly advantageous to foreign competitors, he and his advisers have not seen fit to exercise it.

Instead of using the powers they already have the Presidential advisers come before us today urging that we yield them still further control over the tariff. They apparently are not much interested in the opportunity to use the tariff to protect American industry against changing comparative costs of production. They are not concerned about the effect of subsidies to foreign competitors upon American business and employment. They are not perturbed by the benefits which our codes confer upon these foreign competitors. They seem to be interested in only one aspect of the tariff, and that is how they can lower it so as to enlarge our imports from abroad and make foreigners more prosperous. They have a theory about the tariff which is as obscure and round-about as many of the other theories that have been tried upon our long-suffering people during the past year—that if they can make foreigners more prosperous, even at the expense of some of our own industries and workers, then other of our industries and workers may reap a gain through the greater sale of their goods to the foreigners whom we have thus endowed. They want the power, therefore, through tariff manipulation to trade one industry in this country for another. They want the power to sacrifice certain American businesses which they consider unimportant for the benefit of other businesses which they think more worthy of preservation. They want to be able to arrange these swappings by secret Executive action, without giving any of those who are about to be sacrificed an opportunity to appear and present their case. They want to be able to deal with every American industry as arbitrarily as they recently dealt with the aviation industry when they canceled the air-mail contracts without warning or hearing. They want to be able to withdraw all Govern-

ment aid or protection, wherever it may exist, without any previous notice and without extending a chance to be heard to those for whom such action may be a matter of economic life or death. They want this power to be given them unhampered by any prescribed rules or principles of guidance, without the necessity of any previous investigation or recommendation by the Tariff Commission, and without any possibility of subsequent rectification by the House or the Senate.

If there is any conceivable measure that would create greater uncertainty and instability in our economic life than this proposal, I must confess that I do not know what it might be. To many of us it has seemed doubtful for some time whether the ingenuity of theorists could devise any more effective means for upsetting business recovery than certain of the experiments already tried during the past year, but we have here in this bill exactly such a proposal.

Mr. Chairman, this is indeed the climax of the governmental policy initiated a year ago. On the 11th of last March Congress unwittingly took the first of a series of steps which have led consistently and inevitably to the bill before us. On that day, acceding to the insistent request of the President, Congress, without realizing what was to follow, voted to give him unheard-of power over the expenditures of the Government, including the compensation of our war veterans and the pay of our Government employees. Then Congress gave him and his advisers almost limitless power to experiment as they saw fit with our monetary system. Congress followed that by giving them like power to experiment with almost every branch of agriculture. As if that did not offer sufficient scope for the innovating spirit, Congress next turned over to them the management of every industry, large and small, in the country, with power to determine their wages and hours of labor, power to fix their prices, even power to control their output. By a series of other measures Congress put at their disposal vast authority and vast amounts of money, which has enabled them to displace private industry in many lines through heavily endowed Government projects. There remained, however, one field of control which Congress had not relinquished. It has turned over to the President and his experts control of all domestic trade and industry, but it had reserved some measure of power to regulate our commerce with foreign nations. The bill before us is an attempt to fill that gap and complete our abdication. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am glad of this opportunity to add my views to the marathon of words on this highly important issue, but due to the limited time, I will confine myself to a discussion of the tariff bill in relation to our representative form of Government and the Constitution of the United States. We Republicans are content with the Federal Constitution as it is and under which we have developed into the greatest and freest nation on earth. We only ask that it be administered in the spirit of its framers and that its privileges and blessings be preserved for the benefit and welfare of the American people of our own generation and generations yet to come.

The Republican party stands where it always has stood—the supporters of the Constitution as our fathers gave it to us. It still stands as the sworn friend of the Constitution and the sworn foe of its enemies.

The disastrous defeat of the Republican Party in 1932 left but a small number of us in the House of Representatives to carry on sound Republican principles. Although somewhat dazed by the extent of our losses we were not disheartened, knowing well the incapacity of the Democrats to function as a national party and to keep within bounds of reason and govern with moderation.

The President has established a new form of government. He leans but little on his Cabinet or on Congress. The real government consists of a kitchen cabinet of professors, radicals, and near Socialists. Many of them are admirers of the system of government in Soviet Russia, and are bending their efforts and energies to bring about an approach to that system in America.

President Roosevelt evidently is not concerned with either the Constitution or our representative form of government, or he would not have asked for unlimited powers to make reciprocal trade agreements with foreign nations. The request in itself is unworthy of the President, and must be another "brain trust" proposal entered into without mature consideration. I would have no objection to giving that power to a nonpartisan Tariff Commission, provided it could report back to the Congress for final approval. I would favor such a policy in dealing with Canada, Mexico, and Central and South America. We should be willing to make trade concessions to these countries which are our natural markets.

The President, in his recent N.R.A. speech, used these words:

> The real truth of the matter is that for a number of years in our country the machinery of democracy had failed to function.

The President is not helping to uphold our American ideals and traditions by joining the hue and cry and carping criticisms both from within and from without our country against our free institutions.

The hardest blow ever dealt our democratic system of government is the request he has made on the Congress to abdicate its constitutional powers to enact tariff legislation which includes the taxing power.

The conferring upon the President the right to make trade agreements without the final sanction of Congress is not only unconstitutional but is an outright betrayal of our representative form of government. It amounts to an open admission by Congress that, after 145 years of dealing with tariff legislation, it is now incompetent and unfit to legislate properly, intelligently, and in the public interest. We are called upon to violate our oath of office to uphold the Constitution and betray our duties as representatives of the people by abjectly surrendering our taxing powers, the main reason for the existence of the House of Representatives, to the President. When we do that we become nothing more than rubber stamps. We have already provided for a 59-cent rubber dollar, and now we are asked to rubberize the Constitution of the United States.

For a number of years Mussolini, Stalin, and Hitler have been making public statements about the dismal failure of democracy, and particularly of the failure of parliamentary or representative government to function. They need no longer laugh up their sleeves, but if this bill passes they will cry out from the housetops the doom of democracy. What a travesty, without rime or reason or any emergency except a manufactured one it would be for Members of Congress to abdicate their main powers and functions and help to destroy the usefulness of Congress and our legislative system of government. To me it is a tragedy far beyond the merits or demerits of the pending legislation.

Both my father and grandfather, of the same name, served in this House, and no President, no matter what party he belongs to, can persuade or coerce me to betray my trust and help destroy our representative system of government which in the past has been the pride and glory of free men and of a mighty Republic. [Applause.]

My fellow Members, why sacrifice that which has been tried in the darkest days of the Civil War and in the midst of a World War to turn from our representative and legislative form of government to giving dictatorial powers to the Chief Executive? He holds no mandate from the American people to destroy American industries and the American market for goods produced by our own wage earners. Up to recently the United States has been the greatest free-trade country within its own boundaries in the world. However, this administration, by the use of subsidies and processing taxes on cotton and foodstuffs, has virtually imposed heavy duties on the American people for purchasing their own goods and mirabile dictu now proposes, through reciprocal trade agreements to show favoritism to the goods produced by cheap foreign labor in Europe, China, and Japan.

The Republican Party believes in maintaining the American market for our own producers and laborers. When we depart from that well-recognized policy of affording adequate protection to our own industries and wage earners it means smokeless factories and millions of more unemployed. What we need is more protection in these trying times, not less. Under Republican administrations for over 60 years the American people have been the best paid, the best housed, the best fed, and the best clothed, and the most contented in the world.

It is well to remember that the Republican Party under a protective tariff system gave the American people from 1921–29, the greatest degree of prosperity ever known in any country in the history of the world. It is not the fault of the Republican Party if the people were wasteful and extravagant, and abused the overabundance or surplus of prosperity we gave them and led on by the big international bankers went money mad and tried to get rich overnight by joining in an orgy of speculation and gambling.

Mr. SABATH. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. SABATH. Is it not a fact that the gentleman from New York voted in 1922 and again in 1930, if I am not mistaken, for reciprocal trade agreements, and is it not a further fact that the gentleman voted with me for the Tariff Commission?

Mr. FISH. I just stated I would favor a nonpartisan Tariff Commission to investigate and report back to the Congress of the United States for final action. When we surrender our tariff-making power under the provisions of the pending bill we surrender it entirely. I favor also reciprocal trade agreements particularly to promote the export of our agricultural surplus provided such agreements would be submitted to Congress for approval.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5½ additional minutes.

Mr. KNUTSON. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Minnesota.

Mr. KNUTSON. There is no provision whatsoever in this legislation for hearings, and the American manufacturer will be absolutely at the mercy of the whims of one man or a small group of men whom the President may designate.

Mr. FISH. The gentleman knows that it is not the policy of the Democratic Party to allow hearings. This was proven in the air-mail controversy. [Applause.]

Mr. TRUAX. Will the gentleman yield?

Mr. FISH. I am sorry. I cannot yield further.

Thomas Jefferson would turn in his grave at the thought of transferring such autocratic and despotic taxing powers to the Chief Executive. Where are the constitutional and Jeffersonian Democrats in this contest against an economic dictatorship? If they vote for this bill, it must be in open violation of every principle of Jeffersonian Democracy. If they vote for this bill, it is a plea of confession and avoidance. They must confess to their constituents back home that as a party or individually they are not qualified to legislate or to act in a representative capacity in accordance with the provisions of the Federal Constitution, and in order to avoid the natural consequences of their incompetence must turn the entire tariff powers over to the President and the "brain trust."

What will be the logical answer of the people back home? "We sent you to Washington to look after our interests and to legislate intelligently and not to abdicate your constitutional powers and set up an economic dictatorship. If you are either unable or unwilling to perform your constitutional legislative duties why we will look around and get some one who will."

I do not seek the defeat of my colleagues, but the price of betraying their trust as representatives of the people back home warrants defeat at their hands. Has the flame of liberty burned so low that Members of Congress can betray the constitutional rights of a free people by turning the taxing power over to the Chief Executive without a remonstrance? Have the memorable contests and oratory of John Hampden in England, Mirabeau in France, and James Otis and Patrick Henry in our own country against taxation without parliamentary representation been all in vain? As James Otis pointed out, this principle caused one English King to lose his head and another to lose his crown, and he might have added it also caused the American Revolution. Must we again revive this age-old fight? There is no alternative if this tariff bill is enacted into law.

The next national campaign will then have to decide as between the restoration of our American representative form of government and a socialistic dictatorship. On that issue of Americanism against socialism there can be only one answer, no matter what other issues are injected into the campaign.

What is needed badly at this juncture of our economic life, when business is at a low ebb and struggling to work its way out of a lengthy depression, is sound common sense, and there seems to be little of it.

What is really needed is a restoration of business confidence in order to turn the wheels of industry and provide employment. However, business, instead of being encouraged is discouraged at every turn by new shackles imposed by the "brain trust" and by doubts and uncertainties engendered by the proposed tariff bill.

What is needed is the restoration of individual effort and initiative which made our country the greatest, richest, and freest republic in the world.

Instead, the "brain trust" promotes collectivism and regimentation and rushes from one socialistic experiment to another. The Republican Party must not remain supine any longer. We must not look backward; economic conditions have changed. We must go forward on a sound liberal platform in favor of a square deal for both capital and labor. We must stand as we have always stood, against state socialism and for the Federal Constitution as the rock upon which our constitutional liberties and republican form of government is founded. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. LEWIS].

Mr. LEWIS of Maryland. Mr. Chairman, although I have had more experience with the tariff subject matter than any other subject in my public work, I confess that I rise to address you this morning with little feeling of adequacy to the subject and the occasion. May I say in beginning that I shall not address myself to the philosophy of the tariff as a commercial or as an industrial policy, but should like to direct your attention specifically to methods in tariff making.

THE GENERAL POLICY

The first question, obviously, which a political party in Congress has to determine in approaching the subject of the tariff is the general policy which it intends to apply. May I say that as to determining the general policy itself I believe no body—certainly no other public body—in the United States would offer the same competency in making a wise decision on the general principle.

Having decided its general policy, it then must determine its methods of application of that policy to the subject matter, namely, the articles of commerce. In the existing law the general policy proclaimed is the imposition upon articles requiring it of a protective duty sufficient to measure the difference in cost of production between its domestic and foreign manufacture. The object, obviously, is to place the domestic manufacturer on the same terms of equality with regard to the foreigner that he enjoys with regard to his domestic rival.

The idea of the difference in cost has two objectives. The tariff should not be too high, having effected the purpose of protection to the domestic manufacturer, because the protectionists of the country are consumers as well as protectionists, and it was realized that in imposing this tariff they were imposing a sales tax on American consumers of the products, a sales tax collected, when the tariff is effective, not only from the foreign articles consumed but in effect from the competing domestic product as well.

This, then, is the general policy declared in the existing law. I shall accept this policy as the basis in discussing methods.

CATALOGING THE ARTICLES

Now, in order to apply this principle in determining the tariff rates, obviously, the first thing the Congress would need to know is the nature of the subject matter—that is, what are the articles involved? It must first catalog the articles in order to determine the rates which should be applied to them, and having cataloged the articles satisfactorily, it must then determine whether the articles are produced in the United States and are therefore subjects of possibly injurious foreign competition. The articles may not, perhaps, be produced in the United States and so no protective-tariff policy would be involved at all.

But the tariff is not one thing, not ten things, not a thousand things, not ten thousand things—do not smile at the statement, it is deliberately made—the tariff is not even limited to one hundred thousand things, when applied to our articles of commerce.

Let me give you a visual illustration. Here is a familiar Sears, Roebuck catalog. You are all familiar with its character and its contents. How many articles do you suppose there are in a Sears, Roebuck catalog? They run about 20,000. Only omniscience itself, it is obvious, could determine the differences in cost of production here and abroad of its articles or apply any other protective rule to them upon which the congressional mind might agree. There are over 20,000 articles of differing prices, and so of varying costs, in a Sears, Roebuck catalog alone. The Tariff Commission, in its reports, refers to the gross number of different articles of commerce in these words, "The almost countless articles of commerce."

TESTS IN APPLICATION

Having cataloged these articles, it would next be necessary to apply certain tests, say, first: Are these articles produced here in the United States? If so, then a second test: Are the articles produced here in quantities sufficient for our needs? For if an article were, like wool, of which we produce about one half of our needs, and where the imposition of such tariff sales tax would apply to all the consumed products, whether foreign or domestic in character, the Congress might conclude that such a burden upon the consuming American public was not justified by the protective policy, and would decline to make such an application.

There are other tests also that the rate maker would find it desirable to apply. I do not have time to discuss them now.

NO CATALOG MADE

Has any Congress even undertaken to so catalog the articles, to identify the articles, as to which these tariff rates have been applied? The answer is that Congress never has done it, and would have great difficulty in doing it.

Now, Mr. Chairman, let us be frank with ourselves. In all the history of tariff making in this body, during our lifetimes, can we fairly say that any body of men, whether gathered from the party of Abraham Lincoln or the party of Thomas Jefferson, could assume or pretend to posssess the knowledge of the articles concerned absolutely essential to doing justice to the commerce involved, to the domestic manufacturers involved, and to the consumers who must bear the ultimate burden?

In default of such knowledge what then has Congress done in applying its policy—Republican or Democratic—to this subject matter. They have not cataloged the articles.

BASKET OR CATCH-ALL CLAUSES

What has been their method of treatment? Well, they have noticed about 3,000 articles only, the more familiar articles of human use, which are now named in the tariff act, and as to other articles said to be almost countless, what has happened? Well, they resorted to catch-all clauses. Let me give you some examples.

Look at this catalog of chemical glassware—paragraph 218 (a) of the act. It has thousands of different articles, all bearing the same rate of 85 percent, without regard to their differences, even when they are not produced in the United States.

Here is another such catalog of scientific instruments. It contains upward of 5,000 items. Paragraph 360 of the present tariff act imposes on them all a duty of 40 percent, with the single words of description "Scientific articles, instruments, and apparatus." I make the declaration deliberately, that the probabilities are that of all the thousands of articles in that catalog not one of them ever came into the consciousness of any single Member of Congress when they were imposing these rates. Gentlemen, that is not rate making; that is anarchy. It is utterly impossible that such rates can be rational under any principle of protective policy that might be devised.

Now please observe this catalog, "Surgical Instruments", under the catch-all clause of paragraph 359. The number of articles in this catalog of about 1,000 pages are estimated to reach from ten to fifteen thousand, yet you have one single rate of 55 percent in the tariff act applicable indiscriminately to all. Yet it is well known that we have to import 90 percent of our hard-steel surgical instruments because they are not made here. The soft-steel surgical instruments we do make and their mass production permits them to take an export character besides. Even the sick were overlooked in this catch-all clause.

Here is another catalog of about 700 pages, which comes under the catch-all clause applied to metal cutting tools. Certainly, none of these could have come into the consciousness of this body in determining rates; and yet there are thousands of them, and the same rate of 50 percent is applied indiscriminately to them.

Take the porcelain catch-all clause. It carries thousands of different articles of porcelain of different prices, cost, and characteristics, all at one rate. Blown-glass tableware is another example, with a 60-percent rate. This catalog also carries thousands of different articles.

Observe now this swelling catalog of more than 500 pages with thousands of articles falling under the catch-all clause of paragraph 360 at 40 percent, namely, chemical and industrial laboratory apparatus.

Probably a hundred such catalogs could be exhibited, but I shall only ask you to note at this time catalogs on "Musical instruments", with its 176 pages, falling under paragraph 1541, and its catch-all clause, "Musical instruments." Also a catalog of 540 pages, estimated to contain 4,000 articles, which fall under the catch-all clause "Drawing instruments", with a 45-percent rate; and, finally, this catalog carrying from 3,000 to 4,000 articles at 35 percent, falling under the catch-all clause "Dental instruments", paragraph 359.

The use of these catch-all clauses is found in all the schedules of the tariff act. I have counted some 264 of them.

Some of the fundamental necessaries are thus recklessly treated; for example—

Paragraph 917. Underwear and all other wearing apparel of cotton or fiber, machine or hand knitted, n.s.p.f., 45 percent.

Paragraph 923. All articles made from cotton cloth, n.s.p.f., 40 percent.

Paragraph 1017. Clothing and articles of wearing apparel of every description made of vegetable fiber other than cotton, n.s.p.f., 35 percent.

Paragraph 1120. Wool, all manufactures of, n.s.p.f., 50 percent.

Paragraph 1211. Silks, all manufactures of, n.s.p.f., 65 percent.

Paragraph 1531. Manufactures of leather, parchment, rawhide, n.s.p.f., 35 percent.

Paragraph 1536. Manufactures of amber, bladder, or wax, n.s.p.f., 20 percent.

Paragraph 1537. Manufactures of bone, chip, horn, quills, whalebone, grass, straw, weeds, india rubber, palm leaf, n.s.p.f., 25 percent.

Paragraph 1538. Manufactures of ivory, vegetable ivory, mother-of-pearl, shell, plaster of paris, and hard rubber, n.s.p.f., 35 percent.

Paragraph 1552. And all smokers' articles whatsoever, n.s.p.f., 60 percent.

Paragraph 1558. All articles manufactured, in whole or in part, 20 percent.

May I say, without offense, that men who are willing, in a body like this, to subject their country's commerce and consumers to a disposition as reckless as these catch-all methods are not showing the responsibility in public matters

which we know we can expect from them in individual affairs.

BLIND TARIFF RATE MAKING

Mr. Chairman, what is to be expected under such lack of method in applying a protective policy? Well, not only have prohibitive rates resulted from the sales taxes thus imposed without any knowledge of their application upon the part of congressional rate makers. I have a list compiled, which I shall also insert in my remarks, showing some 600 articles by name, equal to about one fifth of those named in the tariff act, where the rate exceeds 50 percent and rises in some instances to 300 percent. Indeed, there are applications of this blind tariff rate making where the rate has mounted to over 2,000 percent. Besides, literally thousands of articles not made in the United States at all are also subjected to the rates. I shall insert in my remarks a list of more than 250 of such articles by name.

PROTECTIVE RATES ON ARTICLES NOT PRODUCED IN UNITED STATES

May I cite a few examples which have come to my notice arising under the tariff on scientific instruments. Some time ago I, myself, desired to secure an electrical measuring instrument, which on inquiry was found not to be produced in the United States. It was produced in England and available there at $125. But the tariff on top of the price increased the cost to the prohibitive point for me, and the purchase was not made. The department of physics, New York University, wished to purchase a number of instruments ranging in prices from $600 to $1,000, which were not produced in this country, but because of the added cost of the tariff it was decided that the purchase could not be made, and the students were denied the use of desired equipment. Harvard University needed two instruments for astronomical research, one a photoelectric stellar photometer it had ordered in Germany, the other a thermoelectric microphotometer which it might secure in Holland, to cost about $1,000. But with the additional tariff of 40 percent it was not certain that college finances would permit the purchase. None of these articles were produced in the United States. There are very many other such articles not produced here. It is probable that the free admission of such articles (not produced here) would prove sufficient to cover and permit the annual war debt payments due the United States by other countries.

CONCLUSIONS

What is the lesson to be derived from such lack of methods in our rate making? The lesson, to my mind, can be very briefly presented. There is such a thing as function, there is such a thing as division of labor in this world. The auditor, the cost accountant, the specialist, have all become indispensable in our civilization. In our own private affairs we employ them, and we take no chances whatever. But with regard to this most important subject, the commerce of our country, the crudest methods of 150 years ago are still in vogue. It is a matter of the gravest consequence that in making these tariff rates we do not interfere irrationally with the free movement of commerce. I know there is a type of mind that can notice only the statistics of imports. Imports are easily visible to him while exports possess no visibility. My own view is that Newton's great law of mechanics is as applicable in commerce as it is in the physical world:

Action and reaction are equal and opposite.

The incoming tide must equal the outgoing tide. The incoming tide as imports and the outgoing tide as exports must balance. We can no more cheat the laws of equilibrium in commerce than we can cheat the immortal laws of Sir Isaac Newton himself. But in endeavoring to do so, in a childish way, we do sorely cheat ourselves; we may get a dime so close to the eye as not to see a dollar a yard off, such is the angularity of selfish vision.

In trying to effect these little advantages, what often happens? Knowing not the field before us, we set up influences—industrial and commercial influences—which work their destructive effects not only upon our own industries but upon industries in other parts of the world. A British banker some years ago gave a very striking concrete illustration of the interdependency of world industries. He said that if Russia were suddenly to stop buying tea from India and Ceylon the demand of India for textiles in Great Britain would immediately suffer a decline, and with such decline for textiles there would be a falling off in the demand by the British factories for the cotton crops of our own South; and, of course, as our cotton crops fell in price, a fall in market demand for agricultural machinery would also follow with a whole trail of similar consequences.

Mr. Chairman, my public work has been such that I have had to read a great deal upon this subject. I think the wisest short statement I have ever read was a statement by Henry Sidgwick, an economist and philosopher of the last century, not only one of England's greatest men but perhaps one in a dozen of the greatest men of the nineteenth century.

In summarizing his view of the tariff he said—and I can only quote him roughly—that he did not wholly agree with the classical economists who contended that the tariff never could be made to work a national advantage for the country imposing it; that he himself thought he could conceive instances where a little protection imposed here and there would effect a national advantage in particular cases; but that what he could not conceive was a parliament of men with sufficient wisdom and knowledge of the commerce and industry of the world to pick out only those instances for the application of protection and with enough strength of character to withdraw inexorably the subsidy when the occasion for its application was passed.

Now, just another moment in conclusion. My view that this body is not now and never can be competent to calculate the rates necessary in the rational application of protection must be clear enough. The opinion of Henry Sidgwick, considering the countless number of articles involved, seems to be conclusive. But we cannot now abandon, and we do not wish to abandon, the principle of protection itself, or make violent changes in its application. We do recognize, however, that these rates should be rationalized if they are to serve and not defeat the purpose of the policy itself. In my view, that result can only be accomplished, the rates can only be rationalized, through the executive agencies of the Government; through agencies that can employ the proper staff, that can make the necessary study, and then, acting from a national point of view, not a district or perhaps a single factory view, but from a comprehensive national point of view, determine whether the rate and application serve the purpose of protection.

I welcome the presentation of this bill and the opportunity to vote for it. For the first time in our history we will place this rate making, like railway rate making, in hands, under auspices, where we have a right to hope that intelligent and responsible work will be done. We are saying to the world with regard to restraints upon commerce, "You are on stilts; we are on stilts in our tariffs. You get off your stilts; we will get off our stilts. You give us reasonable, quid pro quo, rates to encourage our manufactures and our industry, and we, on our side, will accord you the same rights and privileges; and so we will all work together to restore that international commerce which through the thousands of years has not only been a blessing to the human family but has been the principal factor in the development of civilization itself." [Applause.]

Mr. Chairman, I yield back the remainder of my time.

Mr. LEWIS of Maryland submitted the following appendixes:

Dutiable classes, grades, and types of imported articles not produced regularly in commercial quantities in the United States[1]

SCHEDULE 1.—CHEMICALS, OILS, AND PAINTS

Article or import class	Par.
Certain acids, n.s.p.f.	1
Carbon dioxide (in containers weighing less than 1 pound)	1
Lactic acid, medicinal	1
Allyl, crotonyl, etc., alcohol	2
Acetone oil	3

[1] Principal source of information Economic Analysis of Foreign Trade of the United States in Relation to the Tariff by the United States Tariff Commission in response to S.Res. 325, 72d Cong., 2d sess. The imports under some of the above indicated classifications, particularly basket clauses, are frequently composed principally of some specific item not produced commercially in the United States, although the generic name of the import classification may be the same as that of articles produced domestically. There may be numerous other articles belonging in this category.

Dutiable classes, grades, and types of imported articles not produced regularly in commercial quantities in the United States—Continued

SCHEDULE 1.—CHEMICALS, OILS, AND PAINTS—continued

Article or import class	Par.
Certain chemical elements, mixtures, etc., not containing alcohol	5
Eucalpytol	5
Aluminum compounds, n.s.p.f.	6
Ammonium perchlorate	7
Balsams, except Canada	10
Amber and amberoid	11
Gum arabic	11
Barium nitrate	12
Certain types of chemicals	23
Some flavoring extracts, etc., containing more than 50 percent alcohol	24
Some flavoring extracts, etc., containing 20 percent or less alcohol	24
Certain coal-tar products, intermediates	27
Certain coal-tar dyes	28
Certain coal-tar medicinals	28
Certain coal-tar flavor and perfume materials	28
Certain other finished coal-tar products	28
Cobalt oxide	29
Coca leaves	36
Digitalis (intermittent production)	36
Sumac extract, solid (different type from that produced)	38
Saffron, etc	38
Quebracho extract, solid	38
Certain types of extracts for dyeing, coloring, etc	38
Chlorophyl extract	38
Certain kinds of flavoring extracts	39
Isinglass (intermittent production)	41
Glue, glue size, etc., valued at 40 cents per pound or more	41
Bromide compounds, n.s.p.f.	45
Camphor, natural	51
Menthol, natural	51
Sperm oil, crude	52
Certain kinds of fish oils, n.s.p.f.	52
Sunflower seed oil	53
Poppy seed oil	53
Rapeseed oil	53
Hempseed oil	53
Certain combinations and mixtures of oils	57
Patchouli oil	58
Certain kindsof essential and distilled oils, n.s.p.f (not containing alcohol)	58
Cajeput oil	58
Cedrat or citron oil	58
Vetivert oil	58
Pine-needle oil	58
Juniper oil	58
Opium	59
Ambergris	60
Castoreum	60
Civet	60
Musk in grains or pods	60
Certain kinds of perfume materials	60
Certain kinds of cosmetic and toilet preparations, containing alcohol	61
Floral or flower waters, containing no alcohol, n.s.p.f.	62
Special types of high-grade artists' colors	65
Certain grades of chemical pigments, n.s.p.f.	66
Mineral earth pigments	66
Acetylene black	71
Ochres, crude or not ground	73
Certain types of varnishes, n.s.p.f.	75
Potassium	79
Strontium carbonate	85
Strontium oxide	85
Titanium potassium oxalate and certain other titanium products	89
Venice turpentine	90
Vanilla beans	92
Tonka beans	92

SCHEDULE 2.—EARTHS, EARTHENWARE, AND GLASSWARE

Bath bricks	201 (a)
Pumice stone	206
Untrimmed phlogopite mica	208 (f)
Certain kinds of talc manufactures, n.s.p.f.	209
Talc steatite, etc	209
Particular kinds of china and porcelain table and kitchen articles	212
Diamond bort	214
Cornwall stone	214
Christmas-tree ornaments	218
Prisms and glass chandeliers	218
Illuminating articles and parts thereof, glass	218 (c)
Agate, rock, crystal, and other semiprecious stones	233
Manufactures of alabaster	233

SCHEDULE 3.—METALS AND MANUFACTURES OF

Granular or sponge iron	301
Boron carbide	302 (l)
Pedicure nippers	354
Certain types of pocket cutlery, valued over $6 per dozen	354
Stone cutters	356
Certain type of safety-razor blades	358
Certain types of surgical instruments	359
Certain types of drawing instruments and parts	360
Certain grades of shotguns, valued at over $25 each	365
Jewels, for any watch, clock, etc	367 (d)
Machines for making lace curtains	372
Arsenic metallic	379
Silver leaf (intermittent production)	383 (b)
New type (oriental type)	388
Nickel and alloys	389
Brass ware (specialties)	397

SCHEDULE 4.—WOOD AND MANUFACTURES OF

Brier root or brier wood, etc	403
Bamboo splits	409
Rattan, bamboo, osier or willow manufactures, n.s.p.f. (specialties)	409
Bamboo porch screens	411
Certain types of furniture, chief value of wood, n.s.p.f.	412

SCHEDULE 5.—SUGAR, MOLASSES, AND MANUFACTURES OF
(Schedule inserted to show sequence)

SCHEDULE 6.—TOBACCO AND MANUFACTURES OF
(Schedule inserted to show sequence)

Dutiable classes, grades, and types of imported articles not produced regularly in commercial quantities in the United States—Continued

SCHEDULE 7.—AGRICULTURAL PRODUCTS AND PROVISIONS

Article or import class	Par.
Venison	704
Cheese, certain Italian types	710
Fish, dried and unsalted (specialties)	717
Anchovies, packed in oil	718 (a)
Antipasto, packed in oil	718 (a)
Fish balls, cakes, etc., in air-tight containers not packed in oil (certain types)	718 (c)
Oysters, oyster juice, etc. (certain specialties such as paste and sauce)	721
Fish roe, boiled and packed in air-tight containers (cod roe)	721 (d)
Fish paste and fish sauce	721
Lemon peel, crude	739
Orange peel, crude	739
Currants	742
Olives, in brine, green	744
Olives, pitted or stuffed	744
Mangoes	746
Pineapples (intermittent production)	747
Jellies, jams, etc. (tropical fruit jellies)	751
Lily bulbs	753
Crocus corms	753
Hyacinth bulbs	753
Cream or Brazil nuts, not shelled	757
Edible nuts, n.s.p.f.	761
Edible nuts, pickled, etc	761
Cashew nuts	761
Pignolia nuts	761
Castor beans	762
Poppy seed	762
Canada bluegrass seed	763
Canary seed	764
Mushroom spawn	764
Kohlrabi seed	764
Certain kinds of tree and shrub seeds	764
Lentils	767
Lupines	767
Chickpeas or garbanzos	769
Potato flour	771
Bean sticks, etc	775
Vegetables, n.s.p.f. (certain specialties)	775
Soybeans, prepared or preserved	775
Lupulin	780

SCHEDULE 8.—SPIRITS, WINES, AND OTHER BEVERAGES

Lime juice	806 (a)

SCHEDULE 9.—COTTON MANUFACTURES

Cotton yarn, finer than no. 120	901
Cotton yarns "prepared" for use in the brass bobbins of lace machines	901
Swivel-woven cotton cloths, including dotted Swisses	904
Filled or coated cotton cloths, n.s.p.f. (certain types)	907
Pile ribbons (velveteens and velvets)	909
Cotton knit underwear and knit outerwear (not embroidered) (certain grades)	917
Sanshu yarn rugs	921

SCHEDULE 10.—FLAX, HEMP, JUTE, AND MANUFACTURES OF

Flax fiber	1001
Woven fabrics, wholly of jute	1008
Flax or hemp padding or interlinings	1009 (b)
Jute paddings or interlinings	1009 (b)
Woven fabrics of vegetable fiber, except cotton, n.s.p.f.	1010
Fine, plain woven linen fabrics	1011
Table damask and manufactures of vegetable fiber, other than cotton	1013
Napkins of flax, hemp, etc	1014
Sheets and pillowcases of flax, hemp, or ramie (certain types)	1014
Clothing and articles of wearing apparel of vegetable fiber other than cotton (special types)	1017
China, Japan, and India straw matting, etc	1021
Rice-straw rugs	1021

SCHEDULE 11.—WOOL AND MANUFACTURES OF

Carpet wool and camel's hair	1101 (a)
Wool: Cashmere, alpaca, etc	1102
Wool knit outerwear, hats, hoods, etc. (special types)	1114 (d)
Oriental rugs made by hand	1116 (a)
Wool carpets and rugs; all other floor coverings, etc. (special types)	1117 (c)

SCHEDULE 12.—SILK MANUFACTURES

Broad silks (certain types such as habutae and pongee)	1205
Silk pile ribbons (velvet and plush ribbons)	1206
Silk plush (hatters')	1206

SCHEDULE 13.—MANUFACTURES OF RAYON OR OTHER SYNTHETIC TEXTILE

Artificial horse hair	1301
Rayon pile ribbons (fast edges)	1307

SCHEDULE 14.—PAPERS AND BOOKS

Fashion magazines or periodicals (certain types)	1406
Hanging paper, processed (wall paper) (particular kind)	1409
Wall pockets	1413

SCHEDULE 15.—SUNDRIES

Ice and roller skate parts (replacement parts of foreign ice skates)	1502
Spangles and bugles, n.s.p.f.	1503
Imitation pearl beads valued less than ¼ cent per inch	1503
Fiber hat braids, other than straw or manila	1504 (a)
Harvest hats valued at less than $3 per dozen	1504
Straw hat braids, not bleached or dyed	1504 (a)
Manila hemp hat braids, not bleached or dyed	1504 (a)
Hat braids of natural fiber, not bleached or dyed	1504 (a)
Fiber hats, all kinds, not blocked or trimmed	1504 (b)
Bristles, sorted, bunched or prepared	1507
Special kinds of glass buttons	1510
Agate buttons	1510
Cork paper	1511
Firecrackers	1515
Plats, mats, etc., of dressed dogskin, etc	1519 (a)
Wearing apparel of fur, n.s.p.f.	1519 (a)
Fans, except common palm leaf	1521
Human hair, cleaned, dressed—Asiatic	1523
Manufactures of human hair—nets and nettings	1523
Human hair, raw, Asiatic	1523
Diamonds and other precious and semiprecious stones	1528

Dutiable classes, grades, and types of imported articles not produced regularly in commercial quantities in the United States—Continued

SCHEDULE 15.—SUNDRIES—continued

Article or import class	Par.
Pearls, and parts of, not strung or set	1528
Imitation half-pearls and hollow or filled pearls	1528
Imitation precious stones cut or faceted, etc	1528
Hand-made lace of cotton	1529
Hand-made lace of vegetable fiber other than cotton	1529
Hand-made lace of silk	1529
Articles wholly or in part of lace, n.e.s., of vegetable fiber other than cotton	1529
Lace window curtains, n.s.p.f., of cotton or other vegetable fiber	1529
Cotton hosiery, embroidered other than with clocking	1529
Special types of fabrics and articles, embroidered, etc	1529
Articles wholly or in part of silk lace, n.e.s	1529
Fabrics and articles, embroidered, etc., n.s.p.f. and drawn work of silk	1529
Special types of wearing apparel, embroidered, of lace, etc., n.s.p.f., of flax	1529
Buffalo hides, n.s.p.f	1530 (a)
Vegetable tanned, rough leather, made from goat or sheep skins	1530 (c)
Walrus leather	1530 (c)
Manufactures of wax, n.e.s	1536
Manufactures of quills, n.s.p.f	1537 (a)
Moss, sea grass, etc	1540
Other musical instruments, parts, etc. (imports largely harmonicas)	1541
Certain types of rosaries, chaplets, etc	1544
Sponges, silk, velvet	1545
Works of art, n.s.p.f., etchings, etc	1547 (a)
Works of art, n.s.p.f., valued at not less than $2.50 each, sculptures	1547
Fusians (charcoal crayons)	1549
Pipes, n.s.p.f. (certain grades)	1552
Cases for pipes, etc. (cases not sold separately from the pipes, etc.)	1552
Children's umbrellas, parasols, etc. (nature of toys)	1554
Stamping and embossing materials of pigments	1557
Manufactured edible vegetable substances, n.s.p.f. (certain articles)	1558
Incense	1558

PROHIBITIVE RATES

The following list includes about 655 articles, but does not include articles or grades of articles of which there were no imports in 1931, nor articles on which the rates may have been completely prohibitory. The available data is confined to articles actually imported and named in the reports.

Number of commodities and groups of commodities of which the ad valorem equivalents of the rates of duty were more than 50 percent in 1931 [1]

Schedule	Equivalent ad valorem duty classification				
	51 to 74	75 to 99	100 to 149	150 to 199	200 percent and over
1	48	20	10	4	1
2	46	12		1	
3	50	20	22	11	2
4	2		1		
5	1		2	1	
6	4	1	2	1	
7	49	30	14	3	3
8	3	2	1		
9	11	1			

[1] Based on list 3 of Economic Analysis of Foreign Trade o the United States in Relation to the Tariffs by the U. S. Tariff Commission in response to S.Res. 325, 2d sess. 72d Cong. In some instances, basket clauses, which may cover dozens of articles of commerce, were counted as 1 item or rate.

Number of commodities and groups of commodities of which the ad valorem equivalents of the rates of duty were more than 50 percent in 1931—Continued

Schedule	Equivalent ad valorem duty classification				
	51 to 74	75 to 99	100 to 149	150 to 199	200 percent and over
10	4	2			
11	33	20	5		
12	19				
13	19	18	2		
14	6				
15	69	60	16	2	1
Total	364	186	75	23	7

Mr. DOUGHTON. Mr. Chairman, I yield 30 minutes to the gentleman from Ohio [Mr. WEST].

Mr. WEST of Ohio. Mr. Chairman, during recent years the world has been experiencing a period of acute economic distress and suffering. There are today some 30,000,000 wage earners, accustomed to employment, living in forced idleness. The production and trade of the world have fallen to alarming proportions. Measured in value international commerce is today but 35 percent of what it was in 1929.

Many economic and monetary causes have contributed to this result. Primary among these causes is the almost universal existence of high trade barriers built up in a frenzied effort to gain a so-called "favorable balance of trade" by shutting out foreign goods in disregard of the inevitable effect upon those branches of production which depend upon a world market. Most of the nations have erected ever-mounting tariff barriers; they have imposed quantitative import restrictions; they have created State monopolies; they have established governmental control over foreign exchange which serves to limit the supply of funds made available for foreign trade. The difficulties resulting from such a network of barriers can be successfully overcome only by agreements between governments.

The outstanding fact is that the United States, competing with other nations for this diminishing trade, has not been able to hold its own. In 1929 the American share of the import trade of the world was 12.19 percent and of the exports of the world 15.61 percent; in 1932 it had fallen to 9.58 percent of the import trade and 12.39 percent of the export trade. The proportion which it lost, other countries, of course, gained.

The extent to which the trade of the United States has declined in comparison with that of the rest of the world is shown very clearly in the following table:

Trade of the United States compared with that of the world, 1929 to 1933

[Values in millions of gold dollars]

Year	Imports				Exports				Total trade			
	World [1]		United States (general imports)		World [1]		United States (total exports)		World [1]		United States	
	Value	Trend	Value	Trend	Value	Trend	Value	Trend	Value	Trend	Value	Trend
1929	$35,606	100.0	$4,339	100.0	$33,035	100.0	$5,241	100.0	$68,641	100.0	$9,580	100.0
1930	29,083	81.7	3,061	70.5	26,492	80.2	3,843	73.3	55,575	81.0	6,904	72.1
1931	20,847	58.5	2,091	48.2	18,922	57.3	2,424	46.3	39,769	57.9	4,515	47.1
1932	13,885	39.0	1,323	30.5	12,726	38.5	1,611	30.7	26,611	38.8	2,934	30.6
1933			1,449	33.4			1,675	32.0			3,124	32.6

[1] League of Nations, Review of World Trade, 1932, p. 19.

NOTE.—The world figures, except as indicated, include the United States figures.

Total trade (imports and exports)

	Percent decline	
	World	United States
Decline:		
1929 to 1930	19	28
1929 to 1931	42	53
1929 to 1932	61	69
1929 to 1933		67
1930 to 1931	28	35

Total trade (imports and exports)—Continued

	Percent decline	
	World	United States
Decline—Continued.		
1930 to 1932	52	58
1930 to 1933		55
1931 to 1932	33	35
1931 to 1933		31
Increase: 1932 to 1933		6

Total trade (imports and exports)—Continued

	World, less United States figures		United States	
	Value	Trend	Value	Trend
1929	$59,061	100.0	$9,580	100.0
1930	48,671	82.4	6,904	72.1
1931	35,254	59.7	4,515	47.1
1932	23,677	40.1	2,934	30.6
1933			3,124	32.6

World exports, less United States exports

1929	$27,794
1932	11,115

Percent decline, 60.

World imports, less United States imports

1929	$31,267
1932	12,562

Percent decline, 60.

If the United States is to regain prosperity and not sacrifice large and important agricultural and commercial interests which give employment to many hundreds of thousands of the workers of the country, it must sell certain of its surplus production abroad. This is imperative if the normal American standard of living over large sections of the country is to be maintained. But foreign countries cannot buy American surpluses except with goods or services given in exchange. Furthermore, the maintenance of the American standard of living depends upon our purchase of many foreign commodities. Some of these cannot be produced in the United States. Others can be produced, if at all, only at extraordinary expense or in quantities insufficient for our need.

Furthermore, the problem of maintaining satisfactory prices for many of the staple American products is intimately connected with the decline or revival of foreign commerce. If we are unwilling or unable to work out bargaining interchanges by which such branches of American production as cotton and cereal production, hog raising, fruit growing, and the like can dispose of part of their product in foreign markets, the pressure of supply on the domestic market will necessarily mean continued price depression. The more rigid the trade barriers of the world remain, the more vigorous will have to be the expedients employed to sustain prices.

To meet the present world situation, the first feasible step is to enable the Executive to enter upon a program of bargaining agreements with other nations. The very nature of international negotiation requires that it should be in the hands of the Executive; and to meet an international condition where foreign executives are being clothed with ever greater and greater power to effectuate speedy trade agreements, the United States, if it is to regain its lost proportion of world trade, must delegate similar powers to its President.

The proposed bill nevertheless does not remove from Congress its control of policy which must underlie every tariff adjustment. Although the exigencies of present-day conditions require that more and more of the details be left to Presidential determination, the Congress must and always will declare the policy to which the Executive gives effect.

Throughout this debate there has been considerable discussion with respect to the constitutionality of this proposal. My learned colleague from Pennsylvania [Mr. BECK], to whose discussions of constitutional law I always listen with great admiration, and whose judgment in matters pertaining to constitutional law I respect, has in his very lucid exposition made it appear that this measure is of doubtful or questionable constitutionality.

It is, indeed, true that Congress cannot delegate the legislative function to any other department of the Government. This is widely recognized as a fundamental principle of American constitutional law. This does not mean, however, that the powers which Congress has a right to exercise cannot be embodied in an act authorizing an administrative agency to put into effect in accordance with law upon the determination of certain facts or conditions. In the case of Wayman against Southard (1825) Chief Justice Marshall said:

> It will not be contended that Congress can delegate to the courts or to any other tribunal powers which are strictly or exclusively legislative. But Congress may certainly delegate to others powers which the Legislature may rightfully exercise itself.

In American constitutional law it is entirely clear that the establishment of principles or rules of conduct is the essential function of Congress. It is equally clear that this power itself cannot be delegated. But the power to put rules into effect and apply principles, once these are established by Congress, to facts or conditions as they may arise can be vested by Congress in some other governmental agency or department or executive official notwithstanding the constitutional prohibition against the delegation of legislative power.

In the Tariff Act of 1890 there was embodied a delegation of authority which was considered by some as an unwarranted surrender of the constitutional power of Congress. By this act, in order to secure certain reciprocal trade agreements with countries producing certain specified commodities, it was declared that the free importation of such goods therein provided for should be suspended whenever the President was satisfied that the exporting countries were imposing duties upon American products which were reciprocally unequal and unreasonable. When it was determined that these particular circumstances existed it was provided that certain duties specified should be imposed upon the goods that were named in the act. This provision was attacked on the grounds that it was a delegation of legislative authority to the President, but the Supreme Court, in the case of Field against Clark, refused to accept this view. In this opinion the Court declared:

> * * * Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the law-making department to ascertain and declare the event upon which its expressed will was to take effect. It was a part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of certain commodities from particular countries, should be suspended, in a given contingency, and that in case of such suspension certain duties should be imposed.

In this notable case the whole subject of legislative delegation of power to an administrative officer was thoroughly examined and significantly upheld. In accordance with the principle established in this opinion, it is constitutional for Congress to enact legislation with a provision either that its operation shall go into effect or be suspended upon the existence of specified conditions which are to be ascertained by an administrative agency. As the Court said in the case of Field against Clark, quoting from a decision of the Ohio Supreme Court in the case of C. W. & Z. Railroad Co. against Commissioners:

> The true distinction * * * is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first cannot be done; to the latter no valid objection can be made.

Instead of being of questionable constitutionality, the provisions of this act are so plainly in accord with established principles of American constitutional law respecting the delegation of power that there is no doubt about the constitutionality of this act. As a matter of fact, the Supreme Court has never declared a specific delegation of legislative power to an administrative official unconstitutional when the limits and conditions of such delegation of authority were especially designated.

The wise founders of our Government, in the establishment of our Constitution, made provision for the national emergencies that might confront us. The Supreme Court of this country, in its great opinions interpreting its meaning, have clearly established the fact that our Constitution can be adapted to the various crises in our country's history. As

the great Chief Justice Marshall said in the notable case of McCulloch against Maryland:

We must never forget that it is a constitution we are expounding. * * * This is a Constitution intended to endure for ages to come, and consequently to be adapted to crises of human affairs. To have prescribed the means by which the Government should in all future time execute its powers would have been to change entirely the character of the instrument and give it the proprieties of a legal code. * * * Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and the spirit of the Constitution are constitutional.

It has already been made clear during this debate that the program of reciprocal tariff agreements embodied in the proposed measure is a part of the recovery program. In order to understand fully the importance of this measure it is necessary to remember the emergency which made imperative the adoption of the recovery program.

When the Roosevelt administration was inaugurated a year ago in March an emergency of unparalleled proportions existed. The financial system of the country was on the verge of collapse, industrial activity was paralyzed, and terror had seized the public mind. Widespread popular distress and suffering resulting from unemployment had undermined public confidence in the integrity and stability of our political and economic institutions. For 3 years the depression had proceeded unchecked and capacity for recovery through individual effort had been destroyed. The devastating effects of the depression had brought the country tragically and dangerously close to the point of national disaster.

The dangerous character of this national emergency has never been more vividly described than by Walter Lippmann. In these words he has described the condition that confronted this Nation just a year ago:

At the end of February, as I see it, we had reached a paralyzing deadlock in our affairs. The Federal Government was impotent. The Executive had lost his hold upon Congress, the party leaders had lost their hold upon the Members of Congress, public opinion was distracted and disheartened. There was neither direction nor unity in public life, and the result was a general conviction among the people that they were at the mercy of blind and ruthless economic forces which no one could understand or control. They came to believe that those forces were unmanageable by any conscious policy, and they saw that if this was true they were being pushed irresistibly toward a complete collapse of credit and established values.

This sense of hopeless impotence produced a great panic, in which men, acting on the impulse of each for himself and the devil take the hindmost, tried to save what they could from the wreck. They demanded their money from the banks. They demanded gold for their money. At the climax of the panic in the last week of February the paralysis of government had become so aggravated by a paralysis of the mechanism of exchange that the business of the country was brought virtually to a standstill.

No highly industrialized nation has been subject to greater potential dangers than we were at the end of February. We had an impotent Government in the midst of a universal breakdown of the machinery by which the great urban populations are sustained.

The crisis was one which had to be surmounted without delay. It was not possible to let nature take its course and trust, as in previous great depressions, that the process of adjustment through liquidation of debts and fixed charges and wages would restore a working equilibrium. However theoretically sound such a policy may have been, it was politically, socially, and psychologically impossible. The condition of the farmers and of the unemployed wage earners had become so desperate that a policy of laissez faire could not be contemplated. There is a limit to the endurance of a democratic people. In February we had reached that limit.

It was clear—in fact, it had become increasingly clear as the crisis was developing—that disastrous demoralization could be averted only by a series of rapid, positive measures. These measures would have to be taken by the Federal Government, and, therefore, the first necessity was the reestablishment of its authority. The country had to have a government which had the will and the power to govern. It had to have a government which could formulate measures, could get them adopted, and could apply them without the prolonged debate and the compromises of the ordinary legislative procedure. Men were bound to disagree as to what measures ought to be taken. But it was plain to everyone who had examined the situation that any coherent program resolutely and quickly put into effect was preferable to panic-stricken demoralization arising from the popular conviction that the Federal Government was powerless to have any program whatsoever.

The purpose of the proposed tariff measure accordingly is to extend to the field of our international trade the same effort which has been directed toward the improvement of our national economic conditions in connection with the recovery program.

Whatever may be said in criticism now of the details of the reconstruction legislation or the administration of the recovery measures, this significant fact cannot be denied that the recovery program actually met the emergency toward which it was directed. The immediate task confronting the new administration at the very moment of its inauguration was the restoration of public confidence in the integrity and stability of our institutions and the capacity of the Government to function in a crisis. The outstanding product of the President's courageous action during the national emergency has been the revival of confidence on the part of the people in the integrity of their economic institutions and the ability of their Government to function. Nothing is so highly essential at this time as the maintenance of this renewed confidence and morale unimpaired. It may be true that the public sentiment in support of the recovery program will not in itself bring recovery. But it is also true that without this confidence the reestablishment of normal and wholesome economic conditions will either be indefinitely delayed or made impossible. Renewed confidence, working through the agency of the recovery administration, is the basis for improvement and is the foundation upon which the whole program rests.

During the course of the debate a number of gentlemen of the opposition have endeavored to make it appear that American foreign trade is insignificant and that even if this proposal were adopted that the beneficial results would be negligible. My colleague on the Ways and Means Committee, the gentleman from Michigan [Mr. WOODRUFF], sought to establish this view when he declared:

* * * Now, Mr. Chairman, the statistics compiled in the press, in economic studies, including those of the Department of Commerce, the Foreign Policy Association, and numerous other bodies, all show that for a period of 100 years our exports have never averaged more than 7 percent of our total production. There are those who claim that it runs as high as 10 percent, and I am ready to grant even that figure for the sake of argument, but it is an exaggerated figure. But even so, 90 percent of the market for American products lies within the limits of the continental United States. (Extract from CONGRESSIONAL RECORD, House, Mar. 23, 1934, p. 5278.)

Our first census of manufactures was in 1899, and any figures previous to that year are in the nature of guesses.

The table as compiled by the Department of Commerce, based on each census of manufactures, is shown below. Note that railroad freight receipts are included as part of the domestic production.

Year	Total domestic production, including freight	Exports of United States merchandise	Percent of total
1899	$9,767,000	$1,253,000	12.8
1904	12,706,000	1,426,000	11.2
1909	17,896,000	1,701,000	9.5
1914	21,407,000	2,071,000	9.7
1919	49,269,000	7,750,000	15.7
1921	35,504,000	4,379,000	12.3
1923	47,244,000	4,091,000	8.7
1925	47,494,000	4,819,000	10.1
1927	47,930,000	4,759,000	9.9
1929	52,795,000	5,157,000	9.8

From 1899 to 1919 the census of manufactures was taken only every 5 years. The figures through 1914 show a consistent trend, and we can only assume that the figures for the intermediate years would be close to those shown. It will be observed that in 1899 nearly 13 percent of domestic production was exported, and that this figure decreased to 11.2 percent in 1904 and to 9½ percent in 1909. It appears, then, that at the beginning of this century the percentage was well above 10 percent, but as the high rates of the Dingley tariff prevented foreign trade from expanding as rapidly as did domestic trade, the percentage fell.

Immediately after the war, as is shown by the figure of nearly 16 percent in 1919 and the figure of over 12 percent in 1921, while the lower Underwood tariff was still in effect, the figures were again much above 10 percent. Immediately

after the Tariff Act of 1922, which again checked the growth of imports and exports, the figure dropped below 9 percent; and, while there was some recovery, the figures for 1925, 1927, and 1929 show a slight downward tendency.

It is natural that, in a country so large as the United States and with such varied resources, the percentage of foreign trade to domestic trade should be small. But it is absurd to say that it is limited to 10 percent by any natural law. It has been limited to 10 percent in recent years by the tariff policy which excludes, or nearly excludes, practically every kind of product which can, at however great expense, be produced in the United States. There is every reason to suppose that, under a more liberal policy, the United States could find markets for 15 or 20 percent of its total production—to the great increase of its wealth—since it would export those things which it can produce most effectively and import products now produced at unreasonable cost in this country. Ever since the days of King Midas it has been known to those who reflect upon the matter that a high standard of living does not mean a high consumption of gold per capita but an abundance of commodities of every sort. A more liberal policy of exporting what we produce most effectively, in exchange for products which foreign countries produce much more cheaply than we do, would obviously increase the total supply of goods to be consumed by the American people.

The gentleman from Michigan [Mr. WOODRUFF] has also asserted in another part of his remarks that—

> * * * There is a very singular fact in connection with this whole question, and it is that almost 90 percent of all of the items imported from these countries are items in competition with agriculture, while the leading exports from the United States to every one of these countries—Canada, Cuba, Mexico, Argentina, Uruguay, Spain, France, Italy, Switzerland, Australia, and New Zealand—was, first, automobiles; second, iron- and steel-mill products; and, third, electrical machinery. (Extract from CONGRESSIONAL RECORD, House, Mar. 23, 1934, p. 5279.)

The gentleman listed 11 countries and stated that it is a very singular fact that almost 90 percent of the imports from these countries are items in competition with agriculture. This result is easily obtained by the simple process of picking out countries most of which are primarily agricultural. The list includes, however, France, Italy, and Switzerland, which are predominantly industrial rather than agricultural countries. In 1931 only 14 percent of total French exports, 30 percent of Italy's exports, and only 11 percent of the exports of Switzerland were agricultural. If the gentleman's statement was intended to mean—it is somewhat ambiguous—that 90 percent of American imports from each of these countries are agricultural, it only shows that the American tariff rates on agricultural products have been less prohibitive than the rates on industrial products.

Once again we are presented with another angle of the fallacy of measuring trade and its potentialities on the basis of the limited amount of trade which has survived the drastic obstacles put in its way by the American tariff.

Another gentleman, the distinguished minority leader on the Ways and Means Committee [Mr. TREADWAY], has sought to establish this same point when he declared—

> May I say that we consume over 90 percent of our entire products in this country. This Congress, under the leadership of the Democratic Party, seems more interested in the small balance of less than 10 percent than in the 90 percent. There is the real question. (CONGRESSIONAL RECORD, House, Mar. 23, 1934, p. 5268.)

This statement shows the lack of balance and exaggeration which characterizes attack of the opposition on the tariff bill. This administration and this Congress under Democratic leadership have devoted the whole of their first year to the recovery of the domestic market. The efforts in regard to the domestic market have not stopped. Probably 99 percent of the personnel of the Government is engaged in problems relating to domestic recovery. Certainly much less than 1 percent of the personnel, of the time, and of the attention of the Government has been given to the recovery of our foreign trade. Surely if there is any criticism it should be in the opposite direction, that the Government should sooner have taken steps toward the recovery of some of our previous $5,000,000,000 worth of export trade.

Other examples of the gentleman's exaggerated language are such expressions as "marked for slaughter", "factories closed", "sacrificed on the altar of foreign trade", "the assumption is that * * * the tariff should be reduced or removed altogether"—this under a bill which limits reductions of duties to 50 percent—"destroying the protective tariff system."

In order to make it appear that American export trade is insignificant the gentleman has taken the statistics of our export trade for the year 1933 which show a small volume and compares this trade with the national income for 1929 when this had reached the highest point in our history. In his remarks the gentleman asserted that our rich domestic market, the greatest in the world, would be sacrificed in order to enlarge our relatively small foreign trade.

As a matter of fact great groups of industries in this country depend upon export trade for their normal business activity as the following table indicates:

Ratio of exports to production of selected products, 1930 [1]

Item	Unit	Production, 1930	Exports, 1930	Percent exported	
				1930	1914
A. FARM PRODUCTS AND FOODSTUFFS					
Cotton	1,000 bales	16,066	7,176	44.7	62.6
Lard	Million pounds.	2,344	674	28.8	28.1
Salmon, canned	1,000 pounds	292,147	27,288	9.3	27.9
Sardines	do	[2] 231,825	[2] 123,920	[2] 53.5	
Rye	Million bushels.	42	3	7.1	5.5
Tobacco, leaf	Million pounds.	1,525	600	39.3	47.2
Wheat	Million bushels.	809	153	18.9	19.1
B. RAW MATERIALS AND SEMIMANUFACTURES					
Copper	1,000 tons	1,115	379	34.0	54.8
Gasoline	1,000 barrels	436,217	63,197	14.5	17.6
Kerosene	do	49,208	16,689	33.9	52.2
Lubricating oil	do	34,201	9,749	28.5	37.1
Lumber	Million board feet.	36,886	3,078	8.3	5.6
Rosin	1,000 barrels	1,976	1,157	58.6	62.8
Turpentine	1,000 gallons	31,321	15,722	50.2	57.6
C. MACHINERY AND FINISHED MANUFACTURES					
Agricultural machinery.	$1,000	506,214	115,809	22.9	
Automobiles	Thousands	3,355	238	7.1	4.5
Cash registers	$1,000	[2] 106,217	24,725	[2] 23.3	14.3
Locomotives	Units	[2] 995	[2] 207	[2] 20.8	
Motorcycles	Thousands	[2] 32	[2] 16	[2] 50.0	10.5
Rubber boots and shoes.	1,000 pairs	[2] 100,765	[2] 12,372	[2] 12.3	3.2
Typewriters	$1,000	[2] 55,057	[2] 22,844	[2] 41.5	36.9
Total manufactures (millions of dollars).		45,400–47,100	[2] 3,745	[2] 8.0–8.2	9.3–10.0

[1] Data taken from the Commerce Yearbook, 1931 (Washington, Government Printing Office), vol. I, pp. 89, 90, 92; and Summary of United States Trade with World, 1931, Trade Information Bulletin, No. 791, U.S. Department of Commerce, p. 13.

[2] Data are for 1929.

This is a bill designed to regain some of the foreign trade lost through the enactment of the infamous Hawley-Smoot-Grundy Tariff Act of 1930. It provides the only modern facilities for preventing foreign governments adopting further restrictive measures against our products, and by equivalent and commensurate concessions for obtaining increased opportunities for the marketing of our products in foreign countries.

As usual in the consideration of any tariff bill, all sorts of fallacious arguments are heard. Much is made of the fact that our exports are only about 10 percent of our production. This figure is made to appear smaller (5 or 6 percent) by including in the comparative figures for the value of our production such expenses as transportation, distribution, and construction. Only such extreme protectionists as that

so-called "popular pseudoeconomist", Samuel Crowther, would take seriously such an absurd comparison. Much is also made of the fact that our exports are only an insignificant proportion of our internal trade. Is it any wonder that it is so, considering the efforts of the protectionists to make us completely self-contained by placing every obstacle in the way of foreign trade through such abominations as the Tariff Acts of 1922 and 1930!

But, mark you, the generalization that exports represent only a small fraction of our domestic trade is, like all generalizations, grossly inaccurate. To many industries and agricultural projects exports are all-important. Let us examine the record: The United States Tariff Commission, in its report to the Senate in response to Senate Resolution 325, Seventy-second Congress, second session, entitled "Economic Analysis of Foreign Trade of the United States in Relation to the Tariff", submitted a list of articles exported from the United States in substantial quantities. In examining this list the obvious conclusion is reached that certain industries are dependent upon foreign markets, if the industries are to prosper and be able to buy large quantities of United States raw materials and to employ large numbers of workers. I shall not call attention to agricultural products, such as cotton, tobacco, lard, and wheat, very considerable proportions of which must be exported if disturbing surpluses are not to accumulate in the United States. The distress brought upon many farmers by the decline of the export markets for these commodities is too well known to need repetition here; and certainly the attempt of the administration to remedy the deplorable situation with respect to these products need not be rehearsed here.

I wish rather to direct attention to other products whose dependence upon export trade is not so obvious as those mentioned. We find, for example, that in the production of canned vegetables, dried fruits, and canned fruits the loss of export trade would cause tremendous losses not only to the processor but to farmers producing the raw materials. Exports of fresh fruits also are large. Exports of fresh apples averaged in 1929 and 1932 approximately 20 percent of the total commercial production; the exports of fresh pears in 1932 represented 10 percent of production. In the case of all dried fruits the exports for 1929 to 1932 represented approximately 45 percent of the total production. The unhappy position of the producers and growers of raisins, dried apricots, and prunes, if their tremendous export markets should be taken away from them, need hardly be mentioned. In prunes, for example, our exports have actually been more than 50 percent of production. We have been exporting about 25 percent of our total production of canned fruits. The west coast growers of fresh fruits and the canners who process these fruits would be faced with ruin if deprived of this important export trade. As a matter of fact, foreign countries, buying normally large quantities of our fresh, dried, and canned fruits, have in some instances adopted sanitary and tariff measures which have greatly impaired our export trade, with the result that distressing conditions have arisen on the Pacific coast, and prices paid to farmers have declined materially because of the heavy carry-overs from season to season.

In the case of lumber we have been exporting between 7 and 9 percent of our production of southern pine; in 1929 and 1931 we exported 17 percent of Douglas fir production and a considerable part of our production of oak; our exports of cedar logs have run between 19 and 26 percent of production. As for other woods and wood manufactures, such as doors, handles for tools, and so forth, exports have represented a considerable portion of the total domestic production.

In the case of paper and manufactures of paper our total exports have run into many millions of dollars, and although in 1932 exports had declined to $18,000,000 and the ratio of exports to production for the entire group was perhaps only 3 or 4 percent, nevertheless the volume has been exceedingly important. For certain items, such as fiber board and insulating material, the export has been 10 to 11 percent of the total production.

Examining nonmetallic minerals, like petroleum and its products, paraffin wax, petroleum asphalt, and so forth, we find that in some of these items exports have been quite large compared with domestic production. In the case of refined petroleum our exports have run between 16 and 20 percent of our production, and the values of such exports have been in the hundreds of millions of dollars. In the case of lubricants, greases, and so forth, exports have run between 34 and 40 percent of our total production. Exports of paraffin wax have been more than 50 percent of the total production; exports of earthenware and plumbing fixtures more than 25 percent of production. Other nonmetallic minerals and products thereof, such as emery wheels, abrasive paper and cloth, carbons and electrodes, show exports amounting from 10 to 20 percent of the total production.

Our manufacturers of iron and steel have always enjoyed an important export market. Certain specialized products, such as tin plate, have been exported in a volume running from 6 to 13 percent of production. Exports of iron and steel manufactures have declined sharply in recent years; for example, structural shapes declined in volume from 7 percent in 1929 to 2 percent in 1932. In terms of money, these finished steel-mill products declined from $96,000,000 in 1929 to $14,000,000 in 1932. It is such declines, in combination with other factors operating in the United States, that have forced so much unemployment in our steel plants and foundries.

Examining our exports of advanced manufactures of iron and steel, we find that exports of safety razors and razor blades declined from 16 percent in 1929 to 6 percent of the domestic production in 1932. Our exports of saws amounted to approximately 10 percent of our production; exports of files and rasps have been over 20 percent of production; exports of chains have been running between 16 and 20 percent of production.

Exports of copper and its products have always been important; exports of certain copper products having amounted to as much as 20 percent of total production.

In the case of electrical machinery and apparatus, our exports of this group in 1929 were valued at $130,000,000; by 1932 they had declined to $43,000,000. Exports of batteries represent 6 or 7 percent of production. Electrical refrigerators represent 6 to 8 percent; radio apparatus, about 11 percent; spark plugs, and so forth, about 8 percent.

Exports of industrial machinery have always been a powerful factor in the success of the domestic enterprise. For all industrial machinery, exports have been running approximately from 12 to 14 percent. Certain branches of the industry are obviously dependent upon exports; for example, exports of mining machinery have been approximately 20 percent of production; exports of power-driven metal-working machinery represented 39 percent of production in 1933; exports of sewing machines have been running over 30 percent of production; exports of shoe machinery, from 10 to 16 percent; printing and bookbinding machinery, 25 to 28 percent; and other industrial machinery, 19 percent. Exports of office appliances have represented approximately 27 to 28 percent of total production; exports of typewriters have run close to 50 percent of production.

Agricultural machinery produced in the United States has been exported in very large volume; in 1931 exports of this entire group represented 30 percent of production. Certain types of agricultural machinery have depended on foreign buyers for practically 50 percent of their business.

The deplorable conditions existing in the automobile business in recent years undoubtedly can be traced in part to the decline in exports; in 1929 exports were valued at $529,000,000, and represented 14 percent of our production. In 1932 they had declined to approximately $75,000,000.

We have been exporting between 20 and 30 percent of our production of aircraft engines and parts; our motorcycle exports have been running over 30 percent of our production.

In examining our chemical schedule any number of items can be found in which the exports represent a considerable portion of our production.

The foregoing is only a sketch in barest outline of the importance of our export situation to particular enterprises in the United States. No mention has been made of the fact that many of the items which are important in relationship of their exports to production have enjoyed a very large percentage of the total world export trade. For some of these the relationship of their present exports to the total world trade in the particular item has not materially changed, but restrictive measures adopted by foreign countries have caused serious declines in the total volume of the goods exported.

Obviously, then, many of our industries and farm operations depend to a large degree on foreign markets for their prosperity. Many are directly interested in exports, and others indirectly in that they furnish those directly concerned with exports their raw materials, supplies, and other requirements. Many industries, farms, and communities are directly interested in exports, and others indirectly affected by decline in export trade. To maintain our present foreign markets, or to extend them, will be impossible except through trade agreements which can be promptly executed. This bill provides the only facilities for doing so.

As a result of the adoption of the recovery program, we have been able to revive confidence in the basic integrity of our institutions and in the capacity of our Government to function in crises. If we are to complete the recovery program, if we are to extend this program of remedial legislation to meet the emergency in our foreign trade, this program must be extended into every part of our industrial activity, including that which involves our international trade.

There are those who seem to forget that there have been at work in our country prior to the crash of the stock market in 1929 basic economic forces that undermined the stability and integrity of our industrial system. In the period from 1913 to 1920 prices in this country rose from the level of 100 to a level of 246, and industrial profits increased accordingly. During the war the Allies bought from this country $11,000,000,000 worth of products. They secured the purchase through loans. They bought $7,000,000,000 more of products through the exchange of securities, and were able by a transfer of more than $1,000,000,000 worth of gold to buy up another $1,000,000,000 worth of our products.

From 1922 to 1929 the physical volume of production in this country increased 42 percent. At the same time the number of wage earners decreased 6 percent, but the industrial output per worker increased 50 percent.

During this period of 5 years prior to 1929 we had permitted the development in this country of a movement that was undermining the purchasing power of the American people. The volume of wages increased only 13 percent, while industrial profits increased 72 percent and profits in the form of corporate dividends increased 265 percent. At the height of industrial activity in 1928, when the increase over 1927 was $7,000,000,000 in industrial income, we had a decrease in the volume of wages of $600,000,000. At a time when we were increasing production of commodities over ordinary consumption in this country one would expect there would be an increased demand for labor. The fact is there was actually a decrease.

While we have had an increase in the volume of production, we had a decline in labor to such an extent that over this period of 5 years the volume of wages declined. This increase in profits went into industrial expansion, and we were producing a volume of goods that the purchasing power of the people of this country could not absorb. How did we finance the purchase of these goods? By instalment buying, by inflation of credit, and by permitting practices that made possible the consumption of this volume of production beyond the current purchasing power.

During this period of time we were sending the exportable surplus of our goods to foreign countries. We were financing this surplus by the extension of loans to foreign countries and foreign enterprises over this period of time to the extent of nine or ten billion dollars. We invested $14,000,000,000 in private investments in foreign countries.

The basic principle of this whole economic situation that is ignored by the gentlemen of the opposition in their attack upon this measure is that we have a domestic purchasing power that rests upon the economic activities of our people, and the volume of wages must correspond to the volume of production, or else there is going to be such a tragic dislocation of the economic forces so that we will continue to have permanently an economic depression like that which this country has experienced during the last 3 or 4 years. At the same time we must have an outlet for this exportable surplus, which represents the employment of something like two or three million American workers directly and seven or eight million indirectly, or we shall never be able permanently to restore a normal and wholesome basis for economic activities in this country.

There is a fundamental fallacy in the argument of the opposition that favors the development of a degree of isolation that would cause us absolutely to restrict our trade activities to the domestic market. If we were a debtor nation, and if we had service and interest obligations to transmit to foreign countries, then their policy within reasonable limits might safeguard the transfer problem and permit the servicing of our debts to foreign countries; but in the last 10 years we have reversed our position from that of a debtor nation to that of a creditor nation. Whether we like it or not, we are obliged to receive every year in interest payments and in our service obligations on debts owed to the United States an amount of money which taken by itself with the diminished local production is so great a percentage of that production that we cannot absorb the interest charges paid to us.

If the gentlemen are going to talk about the destruction of inefficient industries and are going to say that this tariff proposal means that we are going to pick out selected industries that are inefficient and destroy them, putting into the hands of the President of the United States the power of life or death over American industries, they have also to face the proposal that if they go ahead with their program of self-containment they will have to acknowledge the impossibility of the payment of any obligation owed by a foreign nation to the American people, and logically the only next step they can take is the cancelation of the war debts and the cancelation of all these interest obligations due to American firms and business enterprises. This means the destruction of the system of international financing, the collapse of which, amounting to billions of dollars, would be so serious that our financial structure could not withstand the strain. It is only by increasing the volume of international trade to such an amount that the service obligations paid by foreign governments on account of war debts and by foreign business enterprises on account of our investments, that we are able to keep the percentage of this payment as related to the total volume of international trade so small that we are able to absorb the amounts that are paid to us on these international obligations.

Remember that nations pay for their trade in only one of four ways: Either by gold, by services, by securities, or by goods. The gold has already been transferred to this country. France and the United States have the great bulk of the gold. Securities were transferred to this country during the war. Services furnished Americans are inadequate. The only means of meeting trade balances is on the basis of an exchange of commodities, and if we are unwilling to recognize this fact we are running counter to the basic principles of international trade, for, after all, international trade, in its last analysis, is actual trade, and if we are going to restrict the volume of international trade to such a small total value or total volume that we stifle this international activity the financial structure in every commercial country in this world will be subjected to such a severe strain that it will not be able to withstand the shock of a

self-containment policy adopted by every major commercial nation in the world today.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WEST of Ohio. I yield.

Mr. KNUTSON. I believe it was brought out in the committee hearings that 67 percent of all articles listed in the present tariff law are on the free list; in other words, only 33 percent pay a duty. Will the gentleman give the House some idea as to the things he would buy abroad in order to stimulate commerce; that is, things that are not now on the free list?

Mr. WEST of Ohio. I will be very glad to refer the gentleman to the three tables that are published in the report of the Tariff Commission and to which reference has already been made in the debates, of those articles that come into this country that lend themselves to reciprocal tariff agreements.

You will find in list 2, in list 3, and in list 9 of these reports of the Tariff Commission the very articles to which the gentleman refers at the present time.

LIST OF IMPORTS UPON WHICH DUTIES CAN BE REDUCED

List 2: Dutiable articles of which the imports are less than 5 percent of domestic production.

List 3: Articles on which the tariff rates exceed 50 percent ad valorem.

List 9: Dutiable articles more or less noncompetitive and with respect to which foreign countries possess advantages.

Based upon a study of the United States Tariff Commission entitled "Economic Analysis of Foreign Trade of the United States in Relation to the Tariff", in response to Senate Resolution No. 325, Seventy-second Congress, second session.

The fact of the matter is that retaliatory tariffs adopted by foreign nations against American products have so fettered international trade that unless some method of this character of dealing specifically with individual nations with respect to particular commodities, commodities that we must have for the maintenance of our domestic economy, and thereby incur the advantages of the most-favored-nation clauses of the treaties that other nations have with third nations, there is absolutely no way of meeting the problem of this system of trade quotas and devices of one kind and another that have brought international trade down to the alarmingly low levels that exist today.

Mr. KNUTSON. If the gentleman will yield further, the gentleman is making a very interesting statement and I dislike very much to interrupt, but the gentleman is referring to the present low levels of our foreign trade. This is not due to the tariff, surely, because we are on the lowest tariff level of any country in the world at the present time, and when the President revalued gold and reduced the gold content of the dollar, in effect he reduced the specific tariff rates on commodities by 40 percent. I think this was testified to before the committee.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. WEST of Ohio. The argument has been made again and again that because of our revaluation policy we have so altered the value of the dollar and depreciated it abroad that we have lowered the tariff, and statements have been made again and again by gentlemen of the opposition, just as my colleague has made the statement, that we have in effect altered by the revaluation program the value of the dollar to such an extent that we have lowered the tariff rates. As a matter of fact the reverse is true.

Let me take a practical example. When England was on gold and we were on gold, the British pound was worth $4.84, and if an Englishman wanted to buy an American typewriter, he took £10 to the bank in order to get $50 to buy an American typewriter. Then England went off gold and the British pound went down from $4.84 to $4, and down to $3.50, and finally to $3.11, and instead of bringing £10 to the bank and get $50 he had to bring £16 to the bank to get the same amount of money. This prohibited the importation into England from our country of our products, and this extended to all other items.

Then we went off gold, 2 years too late, as was testified before our committee by gentlemen who represented your point of view. They made admissions that we went off too late, but when we did go off gold, the American dollar depreciated and the British pound, in terms of American dollars, went up from $3.11 to $3.50, to $4, and ultimately, I believe, to $5.50. So that once again the British citizens abroad wanting to buy an American product, instead of bringing £16 to the bank to get $50, brought once again £10 and then £9; and as we further depreciated the dollar by altering the gold content of that dollar, we depreciated it on the foreign-exchange market and made possible the depreciation to the extent that foreigners can buy goods in this country to export abroad, and we encouraged our export trade.

The contention that this revaluation program was a lowering of tariff rates is unsound, because when you reverse the position and have an American buying goods abroad with cheap American dollars which have purchased dear foreign currencies, you have increased your tariff by the same percentage that you have devaluated the dollar. The contentions of the gentlemen of the opposition to the contrary notwithstanding are based upon a fallacy and a misunderstanding of the actual policy that was involved.

Every nation in this world, Mr. Chairman, except Holland and Switzerland and the United States, revealed their gold at percentages ranging from 65 or 70 percent to 150 percent, in the case of Japan, and 300 percent in the case of Italy and France; and we were only following, belatedly, a policy with reference to our monetary program that was in accord with the realities of international trade and for the purpose of reinforcing our export trade. That monetary policy, which was an integral part of the recovery program, did stimulate our export trade.

Now, this present tariff measure is for the purpose of supplementing and completing and reinforcing that monetary policy so that we will have reciprocal opportunities to deal with foreign nations on a basis of equality, with the same instruments and tools and devices that they use, in order that we can restore to American workers, two or three millions of them, the livelihood that they gain from pursuits that engage in international trade.

The opposition should not become alarmed at the mere suggestion of the reduction in the rates of duty. The enactment of the Gold Reserve Act of 1934 has automatically led to an increase from 50 to 70 percent in the cost of imports from gold-standard countries; an increase which has been somewhat less from countries having a depreciated currency. Even if a uniform reduction of 50 percent were made in all rates, and no such thing is contemplated by the pending bill, the rates on imports from gold-standard countries would still remain above the height of the Hawley-Smoot Act, which I am sure our protectionist friends on the other side consider high enough.

The Honorable Daniel C. Roper, Secretary of Commerce, in his testimony before the Ways and Means Committee on the pending bill, made the following statement regarding the increased protection resulting to domestic producers by reason of the devaluation of the American dollar. I quote from pages 65 and 66 of the Ways and Means Committee hearings:

* * * With the recent devaluation of the American dollar to 59 cents, it now takes nearly 69 percent more dollars to pay for any particular foreign import shipment than it did a year ago, assuming the foreign price has not changed. There has thus been brought into operation an additional all-around tariff protection or handicap on imports, which has been in only small measure offset by increased costs of production or prices of domestic products resulting from the N.R.A. or other recovery measures. In other words, prices in this country could increase to approximately 70 percent over a year ago before domestic producers would be under any increased pressure from foreign imports, except insofar as the exchange value of particular foreign currencies have also depreciated—and very few have depreciated as much as the American dollar. * * *

Mr. KNUTSON. Will the gentleman yield?

Mr. WEST of Ohio. I will yield to the gentleman.

Mr. KNUTSON. How does the gentleman reconcile his statement that the devaluation of money does not affect the tariff? I have in mind that when Japan devalued the yen from 50 to 20 cents it enabled them to flood our market with toys, rubber and electrical goods, and so forth, and it was necessary for the Government to put an embargo on several products coming from that country. I should like to have the gentleman reconcile the practical proposition and the theoretical.

Mr. WEST of Ohio. The gentleman's argument rests on a fallacy with reference to this factor, and that is the standard of living as involved in international trade. The standard of living in any country, which is a basic factor in international trade, does not rest on the labor cost alone, but on the per capita production, and its relation to the per capita production of other countries.

The minute you restrict the per capita production in this country, you lower the standard of living, and the only way to restore it is to increase the per capita production in the various industries, and that will be done by this bill. [Applause.]

Mrs. KAHN. Will the gentleman yield?

Mr. WEST of Ohio. I yield to the lady from California.

Mrs. KAHN. Reverting to the point where I asked the gentleman to yield, I should like to know the name of the gentleman he referred to as publisher.

Mr. WEST of Ohio. Walter Lippman.

Mrs. KAHN. Has the gentleman read the article in this morning's paper by Walter Lippman that the N.R.A. is an economic bedlam and has retarded rather than helped recovery?

Mr. WEST of Ohio. I have read some articles by Mr. Lippman that were critical. I said he was critical. But I have heard him on other occasions speak in praise of the economic soundness of the program and insist that it was essentially sound and economic from the viewpoint of meeting the emergency.

Mrs. KAHN. When was the article published the gentleman referred to?

Mr. WEST of Ohio. A month ago.

Mrs. KAHN. Evidently the gentleman has changed his mind since then.

Mr. WEST of Ohio. He said it was sound economically and met the emergency, and he is a gentleman that does not change his views over night.

Under recent tariff acts rates have become so high that international trade in any large volume has been impossible. Retaliatory rates against American goods have resulted in an alarming decrease in our export trade. The following tables indicate the rates in the various acts:

Average rates of duties under recent tariff acts[1]

[Values in millions of dollars]

	Percent free	Percent dutiable	Average annual imports	Average annual duties collected	Equivalent ad valorem rates	
					Dutiable	Free and dutiable
Payne-Aldrich law, 1910-13[2]	52.6	47.4	1,621	313	40.7	19.3
Underwood law, 1914-20[2]	67.5	32.5	2,884	233	24.9	8.1
Emergency tariff, 1921-22[2]	61.3	38.7	2,815	[3] 372	34.0	13.2
Fordney-McCumber law, 1923-June 17, 1930	63.8	36.2	3,898	544	38.5	14.0
Hawley-Smoot law:						
June 18, 1930 to Oct. 31, 1932	67.8	32.2	2,055	337	50.7	16.4
Jan. 1 to Oct. 31, 1932	67.2	32.8	[4] 1,127	[4] 212	57.5	18.8

[1] Compiled from the report of the U.S. Tariff Commission, Statistical Division, October 1932.

[2] The Payne-Aldrich law became effective on Aug. 6, 1909, the Underwood law on Oct. 4, 1913, the emergency tariff on May 28, 1921 and the Fordney-McCumber law on Sept. 22, 1922. Certain inaccuracies will appear in the above table due to the fact that fractions of years are disregarded prior to the Hawley-Smoot tariff, but the difference is in no case large enough to affect the averages materially. The years given in the above table are fiscal years from 1910 to 1918, and calendar years from 1919 to the present time.

[3] Of this amount, $273,000,000 was collected on the agricultural commodities, including woolen and cotton goods, specified in the emergency tariff between May 28, 1921 and Sept. 21, 1922.

[4] 9 months only.

Ad valorem rates of duty collected in major countries

Country	On dutiable imports		On total imports	
	1931	1932	1931	1932
United States	53.2	57.8	17.8	19.2
Japan	24.1	22.7	9.1	7.6
Germany	35.5		17.7	
Argentina	27.9	37.0	21.7	28.6
Canada	26.0	29.3	16.4	19.7
Belgium			5.5	9.5
Italy			20.7	29.3
France			13.9	
United Kingdom			15.0	23.0

Only the adoption of the proposed measure will make possible the encouragement of a normal and wholesome condition in international economic relationships.

Mr. TREADWAY. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, I have always been a staunch disciple of the doctrine of a high protective tariff as enunciated and expounded by that great Republican and illustrious American, William McKinley. I have subscribed to that doctrine because I have believed that only by such a tariff can American labor and American industry be safeguarded and protected against the pauper labor of foreign competitive nations. Corollarily, I have always favored a rigid immigration policy on the theory that every alien admitted to the United States reduces in proportion to the number admitted the opportunities of the American laboring man. But, Mr. Chairman, if we are to admit to the markets of America the products of the sweatshops of foreign nations, our restricted immigration policy automatically becomes an idle gesture.

During this debate we have heard a great deal about inefficient industry. If I understand Secretary Wallace correctly his definition of inefficient industry is that any industry that cannot operate and produce as cheaply as its competitor is inefficient. I understand that he has condemned and proposes to ban the further expansion of the sugar industry in this country because we cannot produce sugar as cheaply as Cuba or the Philippines. It seems to me that in the production of a commodity the cost of production is the chief element to be considered. I presume that we might produce sugar as cheaply in the United States as it can be produced in any other country, provided our sugar industries paid the same scale of wages to its employees as are paid to those performing similar work in other countries. But, Mr. Chairman, the American laboring man in all lines of industry demands a living wage. And when I speak of a living wage I do not mean a wage that will merely enable him and his family to eke out a miserable existence—to live from hand to mouth—but a wage that will permit him to enjoy the comforts and some of the luxuries of life. That is the American wage, and every red-blooded American wants to see this sort of wage condition maintained. And it is to preserve that sort of a living wage that necessitates the maintenance of a protective tariff of the William McKinley variety.

Apropos of what I have just said, I ask unanimous consent to print as a part of my remarks a brief excerpt from a short article by Robert Quillen appearing in the March 22 issue of the Washington Post, which is as follows:

In various reliable publications you find a printed list of articles that Japan is selling below the American cost of manufacture.

One of the articles is a gold-tipped fountain pen that sells for 7½ cents.

That is not the retail price. The retailer may get 49 cents or as much as 69. But the price that matters in world trade is the wholesale price fixed by the Japanese manufacturer.

Because it is so ridiculously and unbelievably low, the Japanese are rapidly monopolizing the export business of the world.

How do they do it?

Well, standing at a workbench in a Japanese factory is a little toylike boy. The factory record says he is 10 years old, 10 years being the legal minimum for wage earners in Japan, but he may be younger.

His pay is 4 cents a day.

Tens of thousands of children like him are making Japan's cheap products. And skilled adults who do the more difficult work are paid as little as 30 and 40 cents a day.

Knowing this to be true, and knowing that Japanese manufacturers unscrupulously imitate wrappers and packages and steal the trade mark of honest men in other lands, statesmen shudder in dread of such competition and picture the ultimate closing of American factories.

But the story has another side.

The fountain pen soon comes apart. The barrel is bamboo. It is an artful imitation of a fountain pen—nothing more.

And the other cheap products that Japan is now dumping in the markets of the world are of similar quality. They look good, but they are shoddy.

What Mr. Quillen says about Japan can be said with equal truth and propriety about goods manufactured in various other foreign countries and then dumped into the United States to be sold in competition with goods manufactured in American industry by American labor which demands a living wage for its toil.

Mr. Chairman, of course, the objective of this legislation is to reduce and lower our tariff wall. Otherwise, there would be no excuse or justification for it. I may be charged with being an isolationist. I am at least a nationalist, because I contend that charity should really begin at home. I am violently opposed to a reduction in any tariff schedule that will permit the merchandise from foreign countries to come into the United States and be sold cheaper than they can be efficiently manufactured by our own industry. The same principle applies with equal or greater force to the products of the soil. With agriculture prostrate, the livestock industry paralyzed, and with hundreds of millions of the taxpayers' money being expended in an effort, which appears to many to be in vain, to resuscitate these important basic industries, it is now proposed to vest in one man the power to revise our tariff laws which may place these industries in still greater jeopardy.

Mr. Chairman, notwithstanding the pathetic plight of the livestock growers of the United States, within the past few months we have seen tons after tons of canned-meat products shipped into the United States in competition with an already utterly demoralized domestic market. Old impoverished cows and infecundous bulls slaughtered and canned in the Argentine have been imported into this country and dumped upon our already glutted market. And, my friends, the melancholy and disgraceful feature of the affair is that our own Government purchased a large part of this inferior product and fed it to the boys in the C.C.C. camps throughout the country. When this disgraceful fact was revealed to the public, a great howl of indignation went up, followed by administrative apology and promise not to do so again. Is it any wonder that choice steers in this country were being sacrificed at 2½ and 3 cents a pound, and cows as low as 60 cents a hundred?

How do you expect the lumber industry of America to compete with timber products produced by slave and penal labor in Russia? Vast timber forests in Russia, most of which are inside the Arctic Circle, are being processed now and precipitated into the markets of the world. A witness testified before the Immigration Committee of the House a few days ago that the Soviet Government has numerous large prison camps in these vast forests, and that each prisoner is required to cut down and trim 18 trees per day, and that they are not allowed to return to camp until this task has been performed. This barbarous system is applied to women prisoners as well as men because under the Stalin government there is no distinction or discrimination on account of sex. This witness stated that thousands of such prisoners die yearly in those concentration camps from sheer exposure and exhaustion. I know it will be said that under our tariff laws goods manufactured by enforced labor cannot be admitted. But, my friends, there is bootlegging in all lines of industry, and there is no way to prevent it except by giving American industry adequate tariff protection.

Mr. Chairman, I shall not attempt to discuss the constitutionality, or rather the lack of constitutional grace of this measure. We all know that under the philosophy of the new deal the Constitution is in a state of inertia and abeyance at this time. That grand old document which in the past has been regarded as the Ark of the Covenant and the bulwark of the Republic, has been indefinitely furloughed. To paraphrase what Mark Antony said over the body of the great Caesar:

> Only but yesterday the Constitution might have stood against the world, but now lies it there and none are so poor as to do it reverence.

While discussing the Bankhead cotton bill in another body a few days ago the senior Senator from North Carolina [Mr. BAILEY], attacking the constitutionality of the measure, said:

> If the Supreme Court passes that, I should know the end of all things had come in America, and I shall prepare for the socialistic regime and dictatorship.

I thoroughly concur in the sentiment thus expressed by the able and courageous Senator from North Carolina. And yet, my friends, this measure we are considering today is just another unit in the legislative procession that is rapidly rushing this Nation into downright absolutism. Congress has abdicated one constitutional prerogative after another until it stands today almost denuded of power.

If it continues to surrender its constitutional authority, this body will soon cease to function altogether. If this is to be our program, we might as well disband and go home and stop the useless expense incident to congressional sessions.

But, my friends, I am persuaded to believe that the heyday and honeymoon of the "brain trust" is on the wane. We are beginning to see unmistakable evidences of its disintegration. I believe the American people are beginning to get wise to this nefarious racket. I think it ought to be apparent to every student of recent events that the "brain trust" is much more interested in changing our form of government than it is in recovery. In fact, recovery is of secondary or less importance in their scheme. Regimentation and ultimate dictatorship is their paramount ambition.

Mr. Chairman, the American people are patient and long-suffering, but when they are aroused their indignation and vengeance know no bounds. Under the subtle influence of a subsidized press, a subservient radio, and all other avenues of intimidated and coerced publicity the people have been lulled into a stupor; but the spell is already showing signs of breaking, and when the people get their eyes open to this deadly menace this little "brain trust" will crumble beneath their wrath even as straw in the path of a tornado. When this awakening comes the Constitution will have a new baptism and the people will have a new appreciation of the virtues of liberty. They will have a new realization and conception of the meaning of Lexington, Valley Forge, and Yorktown.

Mr. Chairman, sometimes I am amused at the remarkable metamorphosis of the Democratic Party. The members of this great party used to be almost fanatical in their championship of State rights. Three score and ten years ago a bloody fratricidal war was fought on that issue. A short time ago the Democratic Party was violently opposed to subsidy and centralized government. Now they want to subsidize States, counties, municipalities, industries, and individuals. They have set up a colossal bureaucracy in Washington, the magnitude and complexity of which almost staggers the imagination—a bureaucracy whose tentacles penetrate every nook and corner of the Nation.

What has become of the old Jeffersonian Democracy? Alas! it has gone the way of the dodo, the mastodon, and the ichthyosaurus. States rights is now only a memory, and subsidy and centralized government are sweet morsels which our Democratic brethren roll on their tongues with increasing glee and gratification.

My friends, the gymnastics of our Democratic brethren on this character of legislation are indeed most ludicrous. When the Smoot-Hawley tariff bill, which invested a very limited and conditional flexible power over tariff rates in the Executive, the distinguished gentleman from North

Carolina, chairman of the committee that brought in the legislation we are now considering, had this to say:

This is too dangerous and alarming to contemplate. With all this power vested in the President of the United States he becomes a colossus. It is too much power and authority to lodge in any man who ever has been, is now, or ever will be President of the United States. In fact, with all this unrestricted and unlimited power he would be in a better position to overthrow our form of government and proclaim himself king than was the first consul of France, the great Napoleon, when he overthrew the French Government and proclaimed himself Emperor.

And yet only 5 years after these ominous words were uttered the same man on the same subject, except much more augmented and aggravated, in discussing this bill a few days ago had this to say:

The bill, in my judgment, is one of the most important parts of the President's recovery program, and will materially assist in restoring prosperity and setting the wheels of industry turning again.

Mr. Chairman, Consistency is indeed a precious jewel. But the constancy of the Democratic Party on public issues can only be compared to the fixedness of the North Star, about which the bards of old sang so eloquently. Seriously, Mr. Chairman, the inconsistency of the Democratic Party is indeed a challenge to one's credulity. The things they once loved they now hate, and vice versa.

Mr. Chairman, I assume, of course, that this measure, under the lash of the White House, will pass the House, but it is to be hoped by the friends of constitutional government that when it reaches another body it will be defeated or materially modified; but if not that, when it is presented to that great tribunal, the Supreme Court, it will receive the condemnation at the hands of that body which it deserves. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MERRITT].

Mr. MERRITT. Mr. Chairman, while I agree with the criticism of this bill on constitutional grounds, I propose in the few minutes that I have to devote my attention particularly to the specific results which will occur, and just where they will occur, if this bill should be enacted into law. In all the years that I have been in Congress, I think there has been no bill which has excited such uniform objection from my own district, from the State of Connecticut, and from New England. I have telegrams and letters, the committee has had telegrams and letters, from practically every town setting forth fears that the industry which is represented will be liable to destruction if this bill should pass.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MERRITT. Yes.

Mr. KNUTSON. If these manufacturers, who, after all, are more concretely interested than anyone else, or should be, thought for a moment that this legislation would promote foreign commerce, they would be down here in hordes asking for its enactment, would they not?

Mr. MERRITT. That is correct. We hear from many members of the administration the doctrine that so-called "inefficient" industries should be stopped. Some of them say that the death should be immediate, while others say that it might be accomplished slowly and more mercifully. It is a fact that all over New England there are many industries, some of them large, many of them small, which have, under tariff protection given them, been sufficiently efficient to exist for generations, some of them for more than a hundred years, and during that time they have kept alive against all foreign competition, even exporting many of their goods, and have extended their trade all over the United States. Many of those industries are not only self-supporting, but they actually support the town in which they exist. A whole town has grown up around some special industry.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. MERRITT. Yes.

Mr. KOPPLEMANN. The gentleman knows that my interests in Connecticut are like his own and in New England. I am considerably troubled by the statements that have been repeatedly made about killing off so-called "inefficient" industries. Does the gentleman know of any industry in our State or in New England that would be subject to decapitation as a result of this measure?

Mr. KNUTSON. Mr. Chairman, will the gentleman permit?

Mr. MERRITT. Yes.

Mr. KNUTSON. It was testified to before our committee that there are a number of small, inefficient industries in New England that should go by the board. If the gentleman will read the hearings, he will find that out.

Mr. KOPPLEMANN. And the name of any such industry?

Mr. KNUTSON. I do not think any was specifically named; but these representatives of the administration said there are a number of small, inefficient industries that could not exist except for the protective tariff.

Mr. KOPPLEMANN. I will ask the gentleman from Connecticut the question then. Is not that very largely based on fear rather than fact.

Mr. MERRITT. Of course; this whole bill produces fear, and that is what I speak about. I do not think it would be wise to give the names of these concerns, because it might create a notion that the industries are at present in trouble, which is not the fact. Many have told me, and have said in telegrams and letters, that different articles they produce can be put down in New York, from Japan, for instance, at a less price than the articles cost them in the shop.

I think everyone agrees, from the President down, that what we want in this country as a basis for the increase of business and sound prosperity is confidence. When this bill is enacted, if it is enacted, what bank in Connecticut is going to lend money, and what industry will desire to borrow money, if they do not know from month to month whether their tariff protection is going to be taken away from them, so that they will not be able to do business at all?

I think that the very statement of the prospect of this bill's passing has slowed down business, and I think that the enactment of it would so increase that feeling of insecurity as largely to stop business.

Going back to the point argued by the gentleman from Ohio [Mr. WEST], I think there can be no doubt that the devaluation of the dollar has made it easier to import goods, because if the import duty on any article is, say, $100, it is now much easier to pay that $100 in foreign exchange, because the value of the dollar has declined. Some importers have told me that the result of this devaluation on the average was to decrease the actual duty by about 25 percent, and, therefore, the protection to that amount. On the other hand, the effect of the N.R.A. is unquestionably to increase cost. The whole cry of the administration is to take on men and increase wages. I do not think it is an exaggeration to say that the combined effect of the N.R.A. and the devaluation of the dollar is to reduce the protective effect of duties by nearly 50 percent. If, on top of that, all industries are threatened and no one knows where the blow is going to fall, the effect will be very destructive. If they would name the particular industries in mind, the others might feel free.

Mr. KNUTSON. Oh, we repeatedly tried to have the representatives of the administration name the industries or articles they propose to aim at, and they refused to do so.

Mr. MERRITT. I want the Members of this House on both sides to feel, as I do, that if this bill is enacted it is possible for any irresponsible member of the administration or any of its advisers to take a course which will not only stop some industries in some towns in New England but possibly will destroy that town and depopulate it and force its people to seek other places to live, which will be very difficult.

I cannot conceive how any man from any part of the country can wish to take upon his conscience that responsibility. Certainly, for my part, I do not. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I wish to file from Foley's History something that has been said by Thomas Jefferson and Andrew Jackson and Simon Cameron on the tariff question.

The matter referred to is as follows:

[Extract of message from Andrew Jackson, President of the United States, to Congress, Dec. 7, 1830]

Among the numerous causes of congratulation the condition of our impost revenue deserves special mention, inasmuch as it promises the means of extinguishing the public debt sooner than was anticipated, and furnishes a strong illustration of the practical effects of the present tariff upon our commercial interests.

The object of the tariff is objected to by some as unconstitutional; and it is considered by almost all as defective in many of its parts.

The power to impose duties on imports originally belonged to the several States. The right to adjust those duties, with a view to the encouragement of domestic branches of industry, is so completely incidental to that power that it is difficult to support the existence of the one without the other. The States have delegated their whole authority over imports to the General Government without limitation or restriction, saving the very inconsiderable reservation relating to their inspection laws. This authority having thus entirely passed from the States, the right to exercise it for the purpose of protection does not exist in them, and consequently if it be not possessed by the General Government it must be extinct. Our political system would thus present the anomaly of a people stripped of the right to foster their own industry, and to counteract the most selfish and destructive policy which might be adopted by foreign nations. This surely cannot be the case This indispensable power thus surrendered by the States must be within the scope of the authority on the subject expressly delegated to Congress. In this conclusion I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

That our deliberations on this interesting subject should be uninfluenced by those partisan conflicts that are incident to free institutions is the fervent wish of my heart. To make this great question, which unhappily so much divides and excites the public mind, subservient to the short-sighted views of faction, must destroy all hope of settling satisfactorily to the great body of the people, and for the general interest. I cannot, therefore, in taking leave of the subject, too earnestly, for my own feelings or the common good, warn you against the blighting consequence of such a course.

[Simon Cameron's reference to George M. Dallas, Vice President, Congressional Globe, 29th Cong., 1st sess.]

We are told out of the House that this bill is to become a law by the casting of the Vice President. I am happy to say that I have seen no evidence of such intention; nor will I believe there is such a design until I am convinced by the evidence of my own senses. To all the inquiries that have been made of me, I have said that it cannot be—that no native Pennsylvanian, honored with the trust and confidence of his fellow citizens, could prove recreant to that trust and dishonor the State that gave him birth. His honorable name, the connection of his ancestry with her history, forbid it; his own public acts and written sentiments forbid it. If, as has been said, this question is to be settled by the casting vote of the Vice President, he will not, as a wise man, adopt a bill which no Senator will father, but will rather, taking advantage of his high and honorable position, make one which will contribute to the happiness of our people and the glory of our common country. Let him not be allured by the voice of the flattery from the sunny South. No man can be strong abroad who is not strong at home. Before a public man risks a desperate leap he should remember that political gratitude is prospective; that desertion of home, of friends, and of country may be hailed by the winning party when the traitor is carrying in the flag of his country; but when the honors of the Nation whom he has served are to be distributed, none are given to him.

Will any man believe that a son of South Carolina, occupying the chair, elected under such circumstances, with the casting vote in his hands on this bill, would give that vote contrary to the almost unanimous wishes of his own State? And shall it be said that a Pennsylvanian has less attachment for his Commonwealth than a son of Carolina? I have said that I will not believe it; and, as evidence that it cannot be so, I give, in conclusion, the following eloquent passage from a speech of the Honorable George M. Dallas, when occupying the seat I now hold, on a question precisely similar to the one now before us.

[Cyclopedia of Jefferson Foley. Extracts from Messages and Letters of Thomas Jefferson]

"Congress is the great commanding theater of this Nation, and the threshold to whatever department of office man is qualified to enter." (To William Wert, v, 223 (W. 1808).)

"The representatives of the people in Congress alone are competent to judge the general disposition of the people, and to what precise point of reformation they are ready to go." (To Mr. Rutherford, iii, 409 (p. 1792).)

"Preserve inviolate the fundamental principle that the people are not to be taxed but by representatives chosen immediately by themselves. (To James Madison, ii, 328; Ford ed., iv, 475 (p. 1787).)

"The authority of Congress can never be wounded without injury to the present Union." (To the President of Congress. Ford ed., ii, 286 (W.G. 1790).)

"The sense of Congress is always respectable authority." (Official Opinion, vii, 499; Ford ed., 209 (1790).)

"As I never had the desire to influence Members, so neither had I any other means than my friendships, which I valued too highly to risk by usurpation on their freedom of judgment, and the conscientious pursuit of their own sense of duty." (To President Washington, iii, 410; Ford ed., v, 1102 (1792).)

"The executive in our governments is not the sole, it is scarcely the principal object of my jealousy. The tyranny of the legislatures is the most formidable dread at present, and will be for many years. That of the executive will come in its turn, but it will be at a remote period." (To James Madison, iii, 5; Ford ed., v. 83 (1780).)

Mr. FOCHT. We have had most illuminating and instructive debate on a question that will never be settled here at all, and that is the tariff. That is not the question at issue. It is a fact, however, that this country started as an infant. It became the greatest nation in the world because of the protective tariff. We have infant industries which started in a small way, which became great competitors of the mightiest manufacturing institutions of England. Now it is proposed to do something unheard of in all history or all business. That is, to destroy American industries that have not yet grown to full manhood or rounded out into complete economic development. To me that is the grossest, rankest absurdity that I have ever heard coming from anyone, although most anything might come from the man who will be charged with the responsibility of administering this so-called "tariff law", the Secretary of Agriculture, since it has taken him more than a year to even gesture a proposition that will relieve the farmer in regard to the dairy question.

There was a great philosopher who sat here as Speaker of this House at one time, Thomas Reed. As to the tariff question, Thomas Reed said:

I care not as to your argument or the pedantic maxims of the bookmen, nor how a thing may sound or how a thing may look. What I want to know is, How does it work?

Anyone who knows anything about the history of his country knows that every time you ever tinkered with the tariff you brought wreck and ruin to American industry.

Mr. HOEPPEL. Will the gentleman yield?

Mr. FOCHT. For a short question.

Mr. HOEPPEL. Did the Tariff Act of 1930 bring ruin to this country?

Mr. FOCHT. The Tariff Act of 1914, before it was even in full operation, brought soup houses and calls for raiment; but I do not care to get into an argument with the gentleman from California. We agree on too many things.

I want to call attention to one of the most tragic incidents that ever occurred in American political life. It has a direct relation to this question of extending supreme power and confidence to any one man. I am not going into a long story of what I think of the President, because we all respect the President and believe in his patriotism; but as to his ultimate wisdom on a question of this kind, I asked the other day, "What are his tendencies?" Do I, as a protectionist, believing as I do and as you do, all of you, and as I will show your leaders believe, in a protective tariff, confide this to one man? If a commission cannot do it, how is one man going to revise the great tariff schedules which have developed three times over what they were in the last tariff bill?

How can President Roosevelt do justice to a revision of tariffs in this country if you cannot do it by a committee which has had long experience which he has not had? I have faith in him as far as he can go, but even he has his limitations. He never served in the Congress. I regret exceedingly that he has not spent at least 6 years here. He would not have been caught in the position he was last night if he had spent some time here. He could not comprehend what the people wanted yesterday or he would not have vetoed that bill. If he had spent some time here he would

have better understood the sentiment of the country yesterday, and if he could not understand that how could he know about a thousand complex tariff schedules? There is no great mysticism about it, no black art, no legerdemain, but there is so much to consider about it, on account of the vast variety of industries and interests in this country, that I doubt whether he or any other single individual has the capacity to do that job.

But even if he had the capacity, what would he do? What are his tendencies in regard to a protective tariff?

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FOCHT. There was elected from Pennsylvania in 1844 a Vice President of the United States. A delegation of leading business men of Pennsylvania went to Philadelphia, and in the great parlor of the home of George M. Dallas they saw him raise his hand and swear before God that if elected Vice President and there came to him the question of deciding any tie vote on any tariff bill he would support the tariff of 1842.

On this sacred promise the Polk-Dallas ticket swept Pennsylvania. What happened? I say there was a near tragedy in the politics of the United States when this great man, with wonderful antecedents, great family tradition, a great man himself, when the hour struck for a test of his integrity and his loyalty, he voted in the United States Senate for the repeal of this tariff law of 1842, with resultant desolation and ruin throughout the country.

I say, my friends, a man is just as strong as he is. He is impelled by what has actuated his contact in the past, and, therefore, unless I knew definitely what his tendencies are, what Mr. Roosevelt thinks about the tariff, what his environment and contact has been about it, the simple promise that he will make trades, to me, means nothing in the presence of the story of George Dallas.

Mr. KENNEY. Will the gentleman yield?

Mr. FOCHT. I yield briefly.

Mr. KENNEY. Does not the gentleman believe the present tariff ought to be revised?

Mr. FOCHT. I am amazed at the causes which have been assigned for our present difficulty. Let us not forget that half the wealth of the world cannot be destroyed in war, without making its effect felt, and still have it. We are having our difficulties; and if ever there was a time to correct them, now is that time. The great majority held by the party on the other side of the aisle should earlier in this session have been used to pass laws for the protection of the arm of labor, of the farm, and all industry. [Applause.]

[Here the gavel fell.]

Mr. FOCHT. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein the excerpts I previously referred to.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from California [Mr. ELTSE].

PROGRESSIVE ABDICATION OF POWERS—TARIFF

Mr. ELTSE of California. Mr. Chairman, passage of this tariff bill will constitute another successive step in the abdication by Congress of its constitutional powers and a delegation of them to the President. We are asked to give him unrestricted power over the life or death of any unit or section of American industry and agriculture. All industry and agriculture will be placed under the direct control of the President. We are asked to delegate to the President the sole and exclusive power to make tariff treaties or Executive agreements which is equivalent to granting the power to tax. Such a delegation of power is not authorized by the Constitution and is repugnant to and directly in conflict with section 8 of article I, which states that:

> Congress shall have power to lay and collect taxes, duties, imposts, and excises.

I quote from the Washington Star of March 3, 1934:

> With considerable boldness he (the President) has proposed that the President be clothed with complete authority to make reciprocal trade agreements between the United States and other nations, and to lower tariff duties by 50 percent to bring about such agreements, or to raise them by 50 percent if need be. In other words, he proposes to take over the tariff-making business from Congress. * * * Certainly it leaves with the President the power to amend the tariff duties by Executive order in such a way as to crush absolutely American industries. Now, no matter whether there are industries supported by the present tariff wall which are not wise economically, the owners and workers in these industries will not relish being wiped out.

Quoting from the Washington Post of March 26, 1934:

> For over a year * * * he has been developing policies, first under the plea of national emergency, more lately with the vague objective of a planned economy, which have become increasingly at variance with campaign assurances. * * * Instead of lending his magnetic personality to the re-creation of a nation of freemen, the President has let the country be steered closer and closer to a system of rigid State regimentation, which is reminiscent of the feudal system. The criterion of that economy system was complete subordination of the individual to codes and standards prescribed from above.

From the inception of the Seventy-third Congress abdication of legislative powers has been a procession. A review of legislation passed reveals that in the Emergency Banking Act the President sought and received ratification and extension of authority over banking and finance; that under this act the President has power to regulate credit, currency, gold, silver, and foreign exchange transactions; that under this act he ordered all gold and gold certificates to be delivered at the Treasury; embargoed gold, fixed restrictions on the banking business of Federal Reserve members, passes on the reorganization of national banks; permits the purchase of preferred bank stock by the R.F.C.; regulates bank loans and permits the issuance of a large amount of new Federal Reserve bank notes on collateral not heretofore allowed as a currency base.

By the Economy Act there was delivered into the hands of the President the power to revamp the entire structure of veterans' benefits, to reduce all Federal salaries 15 percent, to eliminate, to consolidate, transfer, and curtail any governmental agency.

By the Farm Relief Act there was delivered into the hands of the President the power to reduce acreage, to specify the growing of farm crops on certain terms, to employ the allotment and land-leasing and cotton-option contracts on any of them, to buy the Farm Board's cotton or make loans against it, to enter into marketing agreements, to levy taxes on processing and require licenses for processors and distributors, to control the distribution of basic farm commodities in interstate and foreign commerce, in short, to practically regiment agriculture.

This Congress has delegated power to the President to direct credit expansion through purchase of Government bonds not to exceed $3,000,000,000 through open-market operations; to issue greenbacks up to $3,000,000,000 if the credit expansion does not work; by proclamation to fix the gold content of the dollar within certain limits; to provide for the unlimited coinage of silver at a ratio to be fixed by proclamation.

And we might go on multiplying examples of this wholesale delegation of power. There are many others.

Moreover, we have been given definite indication of what the administration has in mind for future legislation and action whereunder additional powers will be surrendered by Congress and delegated to the executive branch of the Government. We see the beginnings of an effort to establish central control over communications, including the telephone and telegraph lines and the radio. In that connection liberty-loving Americans are shocked by the deadly calm with which the Secretary of Agriculture, in his pamphlet, "America Must Choose", after discussing regimentation of agriculture, announces:

> But these are minor considerations, in comparison with the extraordinary complete control of all the agencies of public opinion which is generally necessary to keep the national will at

a tensity necessary to carry through a program of isolated prosperity.

Freedom of the press? Not under regimented opinion.

The Secretary of Agriculture is one of the spokesmen for the administration, and it is commonly reported that the Secretary, along with Professor Tugwell, had much to do with drafting this tariff bill. Let us quote a little more at length from his pamphlet in order to learn the trend of political economic thought prevailing and becoming so dominant:

Much as we all dislike them, the new types of social control that we have now in operation are here to stay. * * * By the end of 1934 we shall probably have taken 15,000,000 acres out of cotton, 20,000,000 acres out of corn, and about half a million acres out of tobacco, nearly one eighth of all the crop land now harvested in the United States.

If we continue year after year with only 25,000,000 or 30,000,000 acres of cotton in the South, instead of 40,000,000 acres or 45,000,000 acres, it may be necessary after a time to shift part of the southern population. We will find exactly the same dilemma, although not on quite such a great scale, in the Corn and Wheat Belts.

If we finally go all the way toward nationalism, it may be necessary to have compulsory control of marketing, licensing of plowed land, and base and surplus quotas, for every farmer for every product for each month in the year. We may have to have Government control of all surpluses, and a far greater degree of public ownership than we have now. It may be necessary to make a public utility out of agriculture. * * * Every plowed field would have its permit sticking upon its post.

DISCIPLINE NEEDED

As yet we have applied in this country only the barest beginnings of the sort of social discipline which a completely determined nationalism requires. * * * It is quite as serious a question whether we have the resolution and staying power to swallow all the words and deeds of our robust individualist past, and submit to a completely armylike, nationalist discipline in peace time.

Our own maneuvers of social discipline to date have been mildly persuasive and democratic. * * * Regimentation without stint might indeed, I sometimes think, go further and faster here than anywhere else. * * * Great prosperity is possible for the United States if we follow the strictly nationalist course, but in such case we must be prepared for a fundamental planning and regimentation of agriculture and industry far beyond that which anyone has yet suggested. To carry out such a program effectively, with our public psychology as it is, may require a unanimity of opinion and disciplined action even greater than that which we experienced in the years 1917–19. * * * It may require a great amount of governmental aid to take care of people formerly engaged in import and export businesses. It will mean the shifting of millions of people from the farms of the South. But these are minor considerations, in comparison with the extraordinarily complete control of all the agencies of public opinion which is generally necessary to keep the national will at a tensity necessary to carry through a program of isolated prosperity.

Thus there seems to be more truth than poetry in the assertion on the part of many able students of governmental affairs and economists that we are undergoing what some choose to term "a palace revolution." In that connection our thoughts are arrested by the article of Mark Sullivan appearing on March 4, 1934, in a New York publication, wherein he said:

It is certain that the revolution now under way cannot go on to completion except by getting rid of the independence of the judiciary. The revolution cannot be made effective except by getting rid of the freedom of the press and by suppressing and punishing dissent and nonformity as thoroughly as they were suppressed during the World War. The revolution cannot go on to completion except by getting rid of the parliamentary form of government; and these are but three of the fundamental American institutions that must pass away if the revolution is to be complete and remain permanent.

Scattered all through the so-called "emergency legislation" which this Congress has passed, there exists the right to exercise peremptory legislative powers by the President. This tariff bill is no exception. Under this tariff-making power the President may decide without hearings that a certain industry has procured its tariff from Congress through a lobby or collusive bargaining and forthwith by a stroke of the pen completely wipe out the industry. If it be said that the President will not abuse the power, sufficient answer is found in the peremptory action canceling air-mail contracts.

This tariff bill is brought here under the guise of emergency legislation. It recites that it is based on the present emergency. Expediency has been made a rule of construction in the interpretation of the Constitution. The direful prophecy of President Andrew Jackson in his veto message of May 7, 1830, has been fulfilled. He said:

When an honest observance of constitutional compacts cannot be obtained from communities like ours, it need not be anticipated elsewhere, and the cause in which there has been so much martyrdom, and from which so much was expected by the friends of liberty, may be abandoned, and the degrading truth that man is unfit for self-government admitted. And this will be the case if expediency be made a rule of construction in interpreting the Constitution. Power in no government could desire a better shield for the insidious advances which it is ever ready to make upon the checks that are designed to restrain its action.

President George Washington spoke clearly on this point in his Farewell Address when he said:

If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way in which the Constitution designates. But let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

This tariff bill is a repudiation of tariff policies laid down by Thomas Jefferson and Andrew Jackson, to whom the Democratic party steadfastly points as the founders of its faith. Thomas Jefferson said:

My own idea is that we should encourage home manufacturers to the extent of our own consumption of everything of which we raise the raw materials * * *. Experience has taught me that manufactures are now as necessary to our independence as to our comfort.

Andrew Jackson in a speech in the United States Senate said:

We have been too long subject to the policy of British merchants. It is time we should become a little more Americanized; and instead of feeding the paupers and laborers of England, feed our own; or else in a short time by continuing our present policy (that under the low tariff of 1816) we shall all be rendered paupers ourselves.

If this bill becomes the law home manufacturers will not be encouraged, but on the contrary many of them will be wiped out entirely. If this bill becomes the law we will have lost a large part of our economic independence; and we will be feeding the paupers and laborers of England and of Japan and other foreign nations and we shall render paupers of increasing numbers of our own people.

We must have an adequate tariff because (1) American labor, industry, and agriculture must be protected against cheap sweat shop and peasant labor and low living standards of foreign competitors and (2) because it is a means of providing revenue for the Government. That is sound Republican doctrine and the Democrats recognize it as such, for the distinguished Speaker of this House in a debate on the Hawley-Smoot Act on January 9, 1932, said:

Lower this tariff drastically? You (Republicans) will not do it and we (Democrats) do not dare to do it with conditions as they are. We do not want this market flooded with the products of cheap labor in other countries.

To permit European and other foreign manufacturers, in the present crisis, to sell more freely in our domestic markets—to sell what we already produce excessively—is to shut out our own manufactures—to complicate tremendously the problem of reorganizing its chaos.

The internationalists propose to cure the chaos of our domestic market by converting it into a world market. If our international bankers determine our foreign policy, then our domestic market must stay disorganized. They would lower our tariff and allow Europe to pay on their investments by flooding our domestic market with more surpluses.

Never has there been a time when we could so little afford to lower our tariff walls, behind which we already suffer from demoralizing surpluses, to permit more surpluses to flood us.

Very much in point with the subject under discussion is a telegram which I have received from the California State Chamber of Commerce, and I ask consent that it may be inserted here as a part of my remarks.

SAN FRANCISCO, CALIF., *March 23, 1934.*

Hon. RALPH R. ELTSE,
House Office Building, Washington, D.C.:

The California State Chamber of Commerce is of opinion that flexible provisions of Tariff Act of 1930 provide Tariff Commission and President with all necessary means of changing tariff schedules to meet changing conditions. Congressional H.R. 8430 proposes to give President power to change tariff schedules 50 percent by reciprocity treaties with other nations and without hearings. Such power would affect numerous tariff schedules vital to California. California State chamber is opposed to vesting such broad power in any individual, and believes it would result in uncertainty that would be extremely detrimental and disturbing to California agriculture. No changes should be made in tariff schedules without thorough investigation by Tariff Commission with adequate hearings. Proposed legislation would furnish opportunity for political pressure to be exerted in such way as to favor large industries of wide political influence at expense of small industries of less political influence. California State chamber urges that H.R. 8430 be not passed in view of fact that Tariff Commission and President already have power for adjustments with provision for full hearing by all interested parties.

NORMAN H. SLOANE,
General Manager California State Chamber of Commerce.

The passage of this bill will have one inevitable result: American labor, industry, and agriculture will suffer.

Let us more minutely examine the operation of this bill and note the result which will follow. As the tariff law now stands, articles are either on the dutiable or free list. The dutiable list is composed of those articles which come into competition with American products, while the free list is composed of noncompeting articles. It can be assumed that since it is one of the express purposes of this bill to promote foreign trade, the free list will not be disturbed by Executive order or reciprocal agreements. Consequently, any such order or agreement must be directed at or cover items on the dutiable list.

Now, under the power proposed to be granted to the President under this bill, he would enter into bargaining or swapping agreements with foreign nations for the exchange of commodities through the medium of export and import. If this delegation of power means anything at all, it means that the tariff on many dutiable items will be lowered in consideration of receiving from the other party to the agreement certain of its products which, under the circumstances, will necessarily come into competition with American grown and manufactured products. The power to determine what American products shall thus summarily be dealt with lies solely in the hands of the President. Therefore it is no empty statement to say that this bill delegates to the President unrestricted power over the life or death of any unit or section of American industry and agriculture. And Secretary Wallace, who must be considered a spokesman for the administration, has provided us with the rule or the yardstick by which it is to be determined whether or not a certain given industry shall have the decree of life or death pronounced upon it. That rule or yardstick is that of efficiency or inefficiency, as you choose.

In order to build up our exports under the application of that rule our shoe manufacturers will be told that they are inefficient as a reason for allowing our domestic markets to be flooded with cheap shoes manufactured in Czechoslovakia; for the same purpose our textile industries will be told that they are inefficient as a reason for allowing our domestic markets to be flooded with cheap textiles manufactured in Great Britain and other foreign nations; under the application of that rule the manufactures of woolen and worsted goods, of glass, of women's clothing, of pottery, of cement, of electric-light bulbs, of electrical appliances, and the producers of our agricultural products may be told that they are inefficient as a reason for allowing our domestic markets to be flooded with the cheap products from foreign nations. Under the application of that rule the cane- and beet-sugar industry in the United States is to be told that it is inefficient as a reason for allowing our domestic markets to be flooded with the cheap sugar produced in Cuba and elsewhere. Under the application of that rule there is not a single manufactured article or any agricultural product produced in the United States which could successfully compete with a like production of a foreign nation.

The unit cost of production of any given article abroad is much lower than it is in the United States, and, of course, such unit cost enters into the test of whether an article is efficiently or inefficiently produced. It is impossible under such a test for any given article to successfully compete because of the pitiful wages paid by our foreign competitors and of the low standards of living prevailing in foreign nations. Comparison of wages in the United States and leading competing foreign countries provides conclusive proof that we cannot compete successfully with those foreign nations under the application of the efficiency or inefficiency rule. Pass this bill and American labor, agriculture, and industry will no longer be protected. The American farmer with his higher costs, higher-priced land, and higher standards of living cannot compete with the foreign farmer with his lower cost, cheaper land, and lower standards of living without an adequate tariff. This was demonstrated under the Democratic Underwood Tariff Act, where a large percentage of American farm products was placed on the free list and rates on manufactured goods in general were greatly reduced. The result was logical and inevitable. Each month saw increased quantities of cheaply produced European agricultural and industrial products invading the American market, forcing our industries to curtail activities or close down entirely. It deprived American agriculture of a dependable and profitable market. Our exports declined 43.3 percent in 10 months immediately following the passage of that act.

And yet it is proposed that the American domestic question of the tariff shall be settled at a conference table with foreign nations. We are to be embroiled in all of the economic and commercial wars of Europe and the rest of the world through international conferences on tariff duties and reciprocal trade agreements. Think of permitting foreign nations with their vast quantity of cheap surplus competitive products seeking entrance into our markets to have a voice in determining what our tariff shall be.

If it is to be the policy of the Government to negotiate treaties, the practice followed in the past should be continued, and that practice was well defined in the recommendations of President Theodore Roosevelt in his annual message to Congress in 1901, where he said:

> Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained, and that reciprocity be sought for so far as it can safely be done without injury to our home industries. Just how far this is must be determined according to the individual case, remembering always that every application of our tariff policy to meet our shifting national needs must be conditioned upon the cardinal fact that the duties must never be reduced below the point that will cover the difference between the labor cost here and abroad. The well-being of the wage worker is a prime consideration of our entire policy of economic legislation.

This bill stands in glaring inconsistency with the administration program of curtailment in production and elimination of surpluses. Under the farm-relief act we established the processing tax for basic agricultural products. New items are being added to these basic products and the operation of the act extended for the benefit of the agriculturist at the expense of the consumer. The burden of the farmer is being saddled on the back of the consumer. The problem of the farmer is being laid on the doorstep of the consumer; it is not solved, it is shifted. In the face of the dire need, privation, and suffering by millions of our people in a land flowing with milk and honey, every third row of cotton has been plowed under, millions of pigs have been slaughtered, acreage in many other crops has been tremendously reduced in an effort to cut down and limit production. This program has been developed and instituted in order to eliminate surpluses of such basic agricultural products and to raise prices. And in addition it is proposed to further reduce cotton production through the means of a heavy penalizing excise tax on cotton baleage, confiscatory in nature. All agriculture is being regimented with the foregoing purpose in mind.

But behold the inconsistency. On the one hand we propose to thus curtail production, while on the other hand it

is proposed under this tariff bill to permit products grown on foreign soil to have entry through our ports and such products will come into direct competition with our own agricultural products, and we have a clash of purposes and inconsistent objectives. Any products which we cannot efficiently grow as compared with those grown on foreign soil, are to be let into the country if we are to apply the rule or yardstick adopted by the Secretary of Agriculture.

Comparable to the inconsistency of this tariff bill with production curtailment is the illogical argument of the sponsors of this bill.

In order to prove the necessity for the passage of this tariff bill its sponsors point to the terrific falling off in exports and imports and argue that passage of the bill will again restore the export and import business. They make comparison of present imports and exports with those of the banner year of 1929 and years immediately prior thereto. In so doing they fall into error. The terrific export business for the year 1929 and prior years was financed and our products purchased through the means of loans which our people and the Government made to the foreign nations purchasing heavily in our markets. As Mr. Samuel Crowther testified before the Ways and Means Committee:

> Now, we can have an export trade if we want to pay both ends of it.

Moreover, comparison of present export-import business with that of 1929 and prior years is odious because it assumes that the export and import business of foreign nations had not retrogressed, whereas in fact this business of the foreign nations had fallen off commensurate with that of our own. The truth is that the terrific decrease in the export-import business of the whole world was a result of the depression and not a cause. Foreign nations had become and are now essentially nationalistic and each is trying insofar as possible to become self-contained, and to do that they have built up their high tariff walls, and these are not retaliatory as so often charged. It has become the question of the survival of the fit.

Moreover the foreign nations to which we have heretofore exported such vast quantities of our products are terrifically in debt to the United States and they do not care to increase that debt burden. To buy in our markets and to establish a trade balance in our favor would only increase their debt burdens. Naturally, they will not do this, and consequently they have set up their tariff walls. No foreign nation is going to enter into any reciprocal trade agreement with us unless it is to its advantage, which will prove to be at our expense.

In conclusion, I wish to respectfully submit that it is high time that we call an abrupt halt to a further granting of legislative powers to the executive branch of the Government; that this Congress stop its march toward abdication of constitutional powers; that it reassert itself as the duly constituted representative body of the American people; that it resume its normal functioning; that it be wise enough to use the words of Chief Justice Hughes, "to see that the hope of the Republic is not in submission but in controversy—in the triumphs won through high and free debate."

This Congress must retrieve its position so that it can no longer be said that "representative government is dead."

It is time that we turn abruptly to the right. [Applause.]

[Here the gavel fell.]

Mr. ELTSE of California. Mr. Chairman, I ask unanimous consent to include in my remarks a telegram from the State Chamber of Commerce in California and also certain quotations from the Washington Post and the Washington Star.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, this Nation must choose—must choose between the "brain trust" and common horse sense—must choose between internationalism and nationalism—must choose between seeing and buying America first and sojourning and bartering away our markets in Europe, in Asia, in Africa, and in other foreign countries. For my part, I find no great difficulty in choosing. I choose the course outlined by George Washington, the Father of this country, nationalism—real Americanism—rather than internationalism, that of the Latter Day Saints, the "brain trust." These have and are destroying this splendid administration of ours—the administration that started in so gloriously on March 4, 1933.

We are told that this Nation is on the brink of destruction, and I agree—not only is it on the brink, but it has been on the brink for several years. It was on the brink when this administration took charge, but why have we not taken it off of the brink—we have been at it for over a year. The answer is because we permitted the intellectual imbeciles known as the "brain trust", who were not elected Members of Congress, to write the Nation's laws. We would long ago have been off of the brink if we had followed the young Democratic colts who were newly elected in the last election—who came fresh from the soil and fresh from the people, and who had vision and foresight, but unfortunately we adopted as a national policy the lunacy of the "brain trust."

We also are warned not to rock the boat—to blindily follow the "brain trust" to destruction. I refuse to follow. We cannot save the Ship of State by blindly piling more "brain trust" rubbish into the boat. It is already on the verge of sinking with such rubbish as the Economy Act, the refinancing of farm indebtedness, the allotment plan, the regimentation of agriculture, subsistence homesteads, and submarginal lands. We cannot save the Ship of State by nipping a nickel from the men and women who work for the Government nor by the shameful and disgraceful manner in which we have treated the veterans of foreign wars while at the same time we have squandered billions and are plunging this Nation some thirty-two billions in the red by the end of this year.

Nor can we remedy our lot by giving to the "brain trust" the absolute power to fix the tariff and barter away the domestic market of the farmers in the interest of our international manufacturers. Some of these "brain trusters" are now being accused of infidelity and disloyalty to the administration. Some of my friends are afraid that they will go Stalin. No danger—they may go Hitler or Mussolini. They are internationalistic, but they will never go Stalin. They believe in an international capitalistic dictatorship but not a Stalin dictatorship. They are the products and tools of the coupon clippers and have as little use for a Stalin government as they have for the Government of the United States. Their aim is to go back to the eleventh century—to the feudal age, and establish a feudal system in which the farmers and laboring people will be the feudal serfs and they the lords and barons here in Washington.

The internationalism in the speeches and pamphlets and articles, and in the testimony before House committees of the Secretary of Agriculture and of members of the "brain trust" alarm me. According to these, the Secretary of Agriculture and the "brain trust" are more interested in the welfare of foreign than of our own people. I fear for the independence, the freedom, the protection, and the prosperity of the American farmers. First, the Government assures the farmers that it will systematically help them in a voluntary reduction of their surplus crops. Next, the same Government decides to order the farmers to reduce their acreage, whether they want to or not, with or without land rentals or benefit payments, and makes them criminals with fines and penitentiary sentences if they continue to farm their own land according to their own dictates. The so-called "50-percent tax" of the price of cotton imposed by the bill passed here recently is not a tax but a fine. Why not call it a fine? This is the beginning of a feudal system.

Next we are told that hundreds and thousands of farmers and their families are to be told that they are on submarginal land and that their land will be condemned and

they will be moved to subsistence homesteads—"sub" means "below"; "subsistence", below existence. We are to be taxed new billions of dollars to buy this land, not from the farmers but from the mortgage holders who are to be given something better than a mortgage in exchange—an interest-bearing, tax-exempt Government bond. These people have chosen their own homes. They know where they want to live. They feel injured when they are told that they are on submarginal land and are to be removed and their homes, schools, churches, and other community buildings abandoned. As part of this program, an attempt was made to destroy the dry-land agricultural stations by withholding appropriations, but the administration would not stand for that.

Now the tariff is to be reduced and the American market opened to the peasant farmers, serfs, and peons of other lands. The products of the tropics are to be substituted for those of our own Temperate Zone. We are told that the people know nothing about the tariff and that their chosen representatives in Congress may not act wisely. Therefore, we are asked in the bill here under consideration to turn the making of tariffs over to the "brain trust" and permit them to determine what branches of agriculture or industry are worth saving, which are inefficient, which shall be abandoned. We are told that perhaps it may be necessary to abandon 40,000,000 acres of farm land in order to get more foreign trade for our international manufacturers.

Let us turn to the report of the Department of Commerce and we find that during 1933, when our imports were at the lowest level since 1913, we imported products equivalent to 40,000,000 acres of land. It is true that some of these cannot be produced in this country to advantage, such as rubber, coffee, tea, cocoa, bananas, some spices, and some textiles. But the great bulk of these imports did and do displace American agricultural products which can be economically and efficiently produced here at home—but not without protection unless we want our farmers to be reduced to peonage and serfdom.

An examination of the reports of the Department of Commerce shows that in 1933 our imports in the first five groups of commodities, which include those of farm origin, were as follows:

General imports of merchandise by articles, 1933

Animals and animal products, edible	$44,421,306
Animals and animal products, inedible	117,747,285
Vegetable food products and beverages	372,437,696
Vegetable products, inedible (except fibers and wood)	160,002,244
Fibers and textiles	270,451,651
Total	965,060,182

For the sake of argument, let us deduct the large items which we cannot produce at home to advantage—although rayon, an American product, could and should be substituted for silk. The more obvious ones are:

General imports, 1933

Silk, unmanufactured	$103,594,564
Silk, manufactures of	6,282,604
Bananas	20,204,698
Rubber, and manufactures of	51,517,940
Spices of all kinds	7,984,296
Coffee, tea, and cocoa	156,956,095
Total	346,540,197
Add for good measure for miscellaneous products	19,019,985
Grand total	365,560,182

This still leaves the value of the net balance of imports of products of agricultural origin, $600,000,000. Taking the average of all American farm land, the farmers do not average more than $15 an acre for their products. Thus it would require 40,000,000 acres to produce the $600,000,000 worth of farm products imported over and above the chief things, which we need not consider because they have not as yet been developed in this country; that is, the coffee, tea, cocoa, rubber, silk, bananas, and miscellaneous products up to about $20,000,000, which we have thrown in for good measure.

Even if we throw in another $100,000,000 for imports which may be in the doubtful class, our imports of farm products, of the kind grown on our farms, were valued at over a half billion dollars in 1933. This is the foreign value. American values would bring it up to $750,000,000. We must remember that these imported products set the lower price level for all the products produced by our own farmers. If we would raise our prices, we must first learn to control the prices of these foreign competitive farm products.

In 1933 we imported farm animals and meat products in excess of $10,000,000—dairy products in excess of another $10,000,000. During the same period I find we imported fish valued at $22,000,000 and other edible animal products at over $2,000,000, all competing with our livestock, dairy, and poultry industries. While our farmers were paid little or nothing for cattle, horse, and sheep hides, our imports of raw hides and skins amounted to over $45,000,000. It is true that we have a tariff of 10 percent on hides and skins but that 10 percent does not measure the difference between our standard of living and the standards of other countries.

Again, in 1933 we imported leather and leather products amounting to $18,425,350. The imports of furs and fur goods amounted to $38,000,000, and animal oils and fats and animal products amounted to another $15,000,000. All of these products could have been and were, as a matter of fact, economically and efficiently produced by our own farmers, but many of them were permitted to waste on the farms because of low prices.

It is ridiculous that we should have imported nearly $15,000,000 worth of grains and grain preparations in 1933. While limiting the rice crop, we imported 30,000,000 pounds of rice. While limiting the farm acreage for wheat and rye, we imported 10,000,000 bushels of rye which displaced a million acres of rye or wheat in my own State, and imports of barley malt alone exceeded a hundred million pounds. In addition, we imported about $4,000,000 worth of hay and feed crops. The farmers of this Nation are asked to allow their lands to lie idle and pay taxes on them so that we may import agricultural products in order to stimulate trade for the international manufacturers.

Our vegetable farmers are also at the mercy of foreign producers. We imported over $15,000,000 of vegetables and vegetable preparations in 1933. The list shows everything from potatoes and tomatoes to peas and beans, all of which could have been successfully and economically produced on our own farms.

The fruit farmers are in the same predicament. We imported in 1933 nearly $30,000,000 of fruit and fruit preparations, all of which could have been and should have been produced in our own orchards. Again, we imported over $8,500,000 worth of nuts, the larger amount of which were of the kinds that have been for years grown efficiently and economically in this country. And, in addition, we imported corn oil, peanut oil, sunflower seeds, and so forth, to the amount of $7,800,000, all of which were used in competition with similar products of our own farmers.

We come now to sugar. Our imports in 1933 were valued at $114,272,830. This does not include sugar from the Territories of Hawaii and Puerto Rico, which are permanent parts of the United States. The United States now has over a million acres in sugar and last year produced an average of 3,275 pounds of refined sugar per acre at a cost of less than 4 cents per pound in the bag. This means 5-cent sugar to the consumer in 10-pound bags. The truth is that our own sugar producers have broken the monopoly enjoyed by foreign producers and have, in fact, brought down the price of sugar to the consumer, and a reasonable tariff on sugar protects both the producers and the public from exploitation. Our producers cannot produce as cheaply as Cuba and the Philippines because of the higher standard of living. On the other hand, they can prevent a monopoly.

Our farmers now produce from 20 to 25 percent more sugar per acre than the sugar-beet farmers of Europe. In place of destroying or restricting the sugar production, we

should increase it. Therefore, our beet-sugar industry should be expanded from two to three million acres rather than reduced below 1,000,000 acres. We should produce 100 percent of our domestic consumption in place of only 40 percent. The only reason Cuba can sell in our market and bring distress to our sugar farmers is because of her low standard of living and starvation wages.

We also imported some $15,000,000 of alcoholic and other beverages in 1933. In 1934 this amount will be greatly increased. If we must drink, why not drink America? Why not use American beverages? If we must have wines and other liquors, why not use those made from American products? Again, we imported gum, resin, balsam, drugs, herbs, leaves, roots, and so forth, to an amount of $12,000,000. Our people can and ought to produce practically all of these; they are a legitimate source of farm income. Why not keep that $12,000,000 in the United States?

To the flaxseed growers may I state that last year we imported flaxseed, tungseed, linseed, and perilla oil to the extent of $20,000,000. All of these are used in varnishes and paints. Therefore, in place of reducing our flaxseed acreage, we should increase by two or three million acres the production of paint and varnish oil seeds, because the imports of twenty million will be more than tripled when we again have a sufficient medium of exchange so that we can paint our homes and buildings. The farmers producing flaxseed must not be sacrificed in order to get trade for the international manufacturers.

Again, in 1933 we imported 58,000,000 pounds of fresh tomatoes. Do our friends in Florida and Texas wish to surrender that market to Cuba and Mexico? It has been said that winter vegetable growing, like sugar and flaxseed, was not economically sound. We also imported 76,000,000 pounds of canned tomatoes. Tomatoes are grown and canned in every State of this Union. Is canning also uneconomical? And in addition we imported 10,000,000 pounds of tomato paste. Do our friends, especially those in Maryland and California, feel that this market should also be abandoned to foreign countries to create trade for a few?

In addition, we imported some 60,000 pounds of canned meats and meat products equivalent to 250,000 head of cattle. Most of the canned meat was imported from the Argentine, and up until October last, some of it was used by our Army and C.C.C. camps. Thus we supplied our American boys, working on American projects in the interior of our country, the cheap canned meat of old cows and bulls produced by peons in the Argentine at about 1 cent per pound live weight and 2 cents per pound dressed, and which meats were invoiced at about 6½ cents per pound and placed in competition with the better grade meats that many of the parents of these same boys produced in this country. Surely we do not wish to increase these imports. I cannot cover in detail the fields of tobacco, cotton, wool, and other miscellaneous groups. They are just as important as those I have mentioned.

There is no reason why we should get from foreign countries, including the Tropics, these hundreds and millions of dollars worth of farm products which we can grow economically and efficiently. We have the land, the rainfall, the heat, the sunshine, the farmers, the skill, and the knowledge. Shall we surrender to the low standards of living of other lands and other peoples? If so, who is to decide what to abandon first, second, and third? I say Congress and Congress alone must decide. Members of Congress can tell of the needs of their State or district. We must not surrender to the "brain trust."

It is claimed that this bill gives the power to lower tariffs to the President and not to the "brain trust." I know, and you know, that the President cannot attend to this. He has too many other administrative duties that require his attention. He will have to delegate that power to someone. If such power were granted at all, it should be granted to the Tariff Commission, who have knowledge of the subject.

While I have the greatest confidence in the President, still, even if he should attend to it personally, I would not be willing to give him this power. The United States of America is too large, too many cross currents, and too many interests in different localities. No one man can represent them all. I would not even have been willing to grant this power to President Lincoln or President Jefferson, the two greatest Presidents we have ever had and perhaps ever will have, although in their time the United States was not so large and so involved commercially, financially, and industrially. The power of regulating tariffs can be best performed by the Members of Congress who represent their individual States and districts.

Let us see who is backing this bill. I have before me a pamphlet entitled "American Manufacturers' Export Trade, 330 West Forty-second Street, New York City." This pamphlet has undoubtedly been mailed to every Member of Congress. In a letter accompanying this pamphlet we find this statement:

> This association urges your support of the President's request for authority to negotiate reciprocal trade treaties under provisions embodied in bill H.R. 8430. We formerly passed a resolution urging such power be given the President in May 1933.

On page 3 of the pamphlet we find the following paragraph:

> The United States has over $15,500,000,000 of foreign investments, represented to a large extent by stocks and bonds distributed far and wide among thousands of American investors, including institutions such as banks, insurance companies, universities, etc., as well as individual holders, large and small. In addition, foreign governments owe this Government $11,000,000,000 on account of war debts.

Again on page 4, we find this paragraph:

> Since the United States cannot isolate itself from the rest of the world; since we have projected a credit balance abroad in the form of money and goods to the extent of $26,000,000,000; it follows that America's interests demand the development of a foreign policy—governmental, financial, and commercial—that will prevent further huge losses to American investors and taxpayers and that will foster our foreign trade to the benefit of American capital and labor.

From the above statement by the international manufacturers, it is seen clearly that what they have in mind is to enter into trade agreements with foreign nations in such a way that the balance of trade will be against us in a sufficient amount to take care of the $26,000,000,000 that the European nations owe to this Government and to the international bankers, and in addition, give a foreign market to the products of these international manufacturers. In other words, they wish to protect the $15,500,000,000 that our capitalists have invested in foreign countries and, in addition, get back for our Government the $11,000,000,000 that our international bankers bet on the wrong horse before we entered the war and that they juggled onto the shoulders of Uncle Sam. This at the expense of the American investor who invested at home and at the expense of American agriculture. That is their motive for supporting this bill. Hypocritically they say "for the benefit of American capital and American labor." Yes, for American capital invested in foreign lands and for the crucifixion of labor on the altar of the lowest foreign standard of living.

There is no question but what the "brain trust" would like cheaper food and foreign trade for New York and other coastal cities. They would subsidize the merchant marine, so that water freight would be low and at the same time boost railroad rates out West to the limit, forgetting that there are over a hundred million people west of New York. These people are New York's best market. If New York does not buy from our farmers and surrenders our market to foreign countries, we cannot buy from New York. Let us get reasonable prices for our own farm products. Let us get our own people back to work. Let us not forget that the $600,000,000 of foreign agricultural imports would have meant $600 cash for each of 1,000,000 farmers above the food, fuel, and shelter which they get on the farms at present. Let us take care of our own nationalists—American markets, as far as possible, for Americans.

In conclusion I will state that I favor the reduction of tariff wherever it is too high. I favor a tariff that will protect all American products, industrial or agricultural, at a price equal to the cost of production plus transportation

and storage charges plus 6 percent at the point of competition. Such a tariff would protect the American wage earner and the American standard of living and would be fair to the consuming public.

The pamphlet that I have referred to above clearly shows that the international manufacturers are back of this bill. I give below their application for membership and a list of their officers and directors and their connection, so that the Members may know who and what interests are in the background of this legislation.

APPLICATION FOR MEMBERSHIP

To the AMERICAN MANUFACTURING EXPORT ASSOCIATION,
330 West Forty-second Street, New York, N.Y.:

We hereby offer to cooperate with the other members of the American Manufacturers Export Association in fostering our foreign trade, overcoming the obstacles that may be placed in its way, promoting legislation favorable to exports, and in maintaining the highest standard of American business ethics abroad.

We agree to pay toward the expenses of this cooperation the following annual sum: $_____.

Sustaining Membership	Multiple Membership	Single Membership
$500 to $1,000	$100 (minimum)	$75

We would prefer to be billed on {a semiannual / an annual} basis.

Firm name _____
Business _____
Per _____ Official position _____
Postal address _____

(Make all checks payable to American Manufacturers Export Association)

(Forms will be mailed new members to obtain information for association's records.)

OFFICERS AND DIRECTORS OF THE AMERICAN MANUFACTURERS EXPORT ASSOCIATION

James D. Mooney, General Motors Export Co., president.

F. W. Nichol, International Business Machines Co., first vice president.

P. S. Duryee, Chase National Bank, treasurer.

L. O. Bergh, Marvin & Bergh, general counsel.

Regional vice presidents: L. C. Stowell, Dictaphone Corporation, New York; W. J. Shortreed, H. J. Heinz Co., Pittsburgh; George W. Koenig, International Harvester Co., Chicago; Col. H. R. Horsey, Coca-Cola Co., Atlanta.

Operating staff: Francis T. Cole, vice president and general manager; Harry Tipper, executive vice president; Oliver J. Abell, vice president.

Directors: George F. Bauer, National Automobile Chamber of Commerce, New York; Henry S. Beal, Sullivan Machinery Co., Chicago; Willis H. Booth, Guaranty Trust Co., New York.; Walter S. Brewster, Pacific Mills, New York; Mason Britton, McGraw-Hill Publishing Co., Inc., New York; Walter P. Chrysler, Chrysler Corporation, Detroit; C. K. Davis, Remington Arms Co., New York; D. E. Delgado, Eastman Kodak Co., Rochester; James L. Donnelly, Illinois Manufacturers Association, Chicago; W. J. Edmonds, International General Electric Co., New York; E. A. Emerson, Armco International Corporation, Middletown, Ohio; James A. Farrell, New York; E. V. Finch, United States Alkali Export Association, Inc., New York; Harvey Firestone, Jr., Firestone Tire & Rubber Co., Akron; P. A. S. Franklin, United States Lines, New York; Charles J. Hardy, American Car & Foundry Co., New York; Cornelius F. Kelley, Anaconda Copper Mining Co., New York; H. J. Leisenheimer, the Cleveland Tractor Co., Cleveland; C. W. Linscheid, Fairbanks, Morse & Co., Inc., New York; John L. Merrill, All-America Cables, Inc., New York; Thomas A. Morgan, Curtiss-Wright Corporation, New York; W. W. Nichols, Allis-Chalmers Manufacturing Co., New York; L. A. Osborne, Westinghouse Electrical International Co., New York; Robert H. Patchin, W. R. Grace & Co., New York; C. M. Peter, Black & Decker Manufacturing Co., Towson; F. W. Pickard, E. I. du Pont de Nemours & Co., Wilmington; Edward V. Rickenbacker, North American Aviation Corporation, New York; George B. Roberts, National City Bank of New York, New York; G. Arthur Schieren, Charles A. Schieren Co., New York; George C. Scott, United States Steel Products Co., New York; Harold B. Scott, Denver Chemical Manufacturing Co., New York; Robert H. Sexton, Business Council Associates; A. P. Sloan, General Motors Corporation, New York; Edgar W. Smith, General Motors Export Co., New York; James L. Walsh, National Bank of Detroit, Detroit; Thomas J. Watson, International Business Machines Co., New York; John N. Willys, Willys-Overland Co., Toledo; Clarence M. Woolley, American Radiator Co., New York.

Executive offices; 330 West Firty-second Street, New York City.

"Tariffs and two-way trade are twins."

SERVICES TO MEMBERS

1. Information, counsel, and assistance are continuously available regarding domestic laws affecting exports, exchange, export policies, financing, foreign law, freights, itineraries, overseas markets and marketing, packing, patents, tariffs, taxes, trade marks.
2. Active trade inquiries.
3. Collection of overdue foreign accounts.
4. Credit reports from several independent sources.
5. Funds frozen abroad.
6. Interchange of experience among members.
7. Overseas trading data.
8. Recommending qualified agents.
9. Translations.

The American Manufacturers Export Association "Register" of American Exporters. Distributed to the responsible buyers in foreign countries.

COMMITTEES

Policy: Executive, finance, economics, tariff, legislative, foreign relations, luncheon-speaker committee, membership, education for foreign trade, publicity, committee on functions of Government departments.

Service: Legal, patent and trade marks, banking, transportation, postal, advertising, insurance, sales policies, arbitration, entertainment.

One thousand members in 1934.

Mr. TREADWAY. Mr. Chairman, I yield 12 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I suppose there are few Members of this House who do not agree that it is desirable to increase our international trade just as it is desirable to increase our domestic trade. When it comes, however, to determining just how and under what circumstances this should be done there is, of course, room for a considerable difference of opinion. I am not one of those who believe that our past tariff policy has been responsible for the world decline in foreign trade. Neither do I believe that the Smoot-Hawley bill has been responsible for the decline in our foreign trade, the best evidence of this being that the decline in value of imports on the free list has been greater than the decline in value of dutiable articles. If every country had followed as honest and sensible a course as we have in the matter of tariffs, there could certainly be no legitimate complaints by anyone. The chief cause of the decline in trade among nations, in addition to the lower level of prices, lies in the fact that other nations have put into effect systems of quotas, permits, licenses, exchange control, and other export schemes for stopping up the channels of trade. In spite of the fact that this is admittedly true, we are asked to pass this legislation which would only complicate the situation by making this Nation a party to the system which has already done so much harm to international commerce. If it is our sincere desire to bring about an improvement in the conduct of international trade relations, then it seems to me that instead of imitating methods and practices of other nations, we should be doing what we can to bring about an abandonment of those policies.

There are, of course, many reasons for opposing this legislation. Many of us object to a further surrender by Congress of the powers given it by the Constitution, particularly that most important power of levying taxes. Some feel that this legislation will be a hindrance to recovery by reason of the fact that it will increase business uncertainty and will place every industry which has tariff protection in a position where it may suffer utter destruction through summary action and without opportunity to be heard.

All of these matters have been thoroughly discussed by those who have preceded me in a fashion so much better than I could do that even if I had the time I would hesitate to enter into a further discussion of them at this moment.

Instead, I wish to largely confine my remarks to the effect which this legislation is likely to have on the industry of agriculture. Coming from the great Middle West and representing one of the more important agricultural districts of the country, I am naturally interested in this question. It happens that I come from a district whose principal agricultural product has to a considerable extent gone into export channels in the past. My district is the greatest wheat-producing district in the United States, and if the effect of the measure would be to increase our exports of wheat and other surplus crops, my district would presumably benefit. Such a study as I have been able to make of the matter, however, convinces me that this measure affords little or no opportunity to increase our exports of cotton, wheat, tobacco, and lard, which have been our principal agricultural exports

in the recent past, and I fear that in attempting to do so through this type of legislation we are taking a great chance of losing protection upon many agricultural products upon which we are on an import basis, such as sugar beets, flax, wool, beef, and some types of dairy products and fresh fruits and vegetables.

Because I represent such a great wheat-growing district, I want to point out briefly the situation which affects international trade in that commodity today. While we have a surplus of wheat in this country and export markets are much to be desired, yet it is literally true that even by offering to lend money to foreign nations with which to purchase our wheat and by paying an export bounty, which at the present time amounts to about 28 cents a bushel, we are unable to dispose of any excepting the smallest quantities of this product. For the past several months we have not exported a single bushel of American wheat which was not subsidized. The Reconstruction Finance Corporation has arranged to make loans to China for the purchase of wheat and yet the best that we have been able to do in sending wheat into that market where millions and millions of people are undernourished is to dispose of something like 10,000,000 bushels, upon which there has been paid a subsidy amounting to an average of 22 cents per bushel. In all, through the medium of this subsidy, we have been able to export 22,000,000 bushels of wheat from the Pacific Northwest, a considerable part of which, however, instead of going into foreign markets has been carried through the Panama Canal and sold in markets in the southeast part of the United States in competition with wheat from the Middle West.

Consider how present wheat prices in this country compare with the world market. The price of May futures in Chicago on Saturday last was 87⅞ cents. On the same date May futures in Winnipeg closed at 68½ cents, practically 20 cents difference. The price in Liverpool of the same date was 67 cents. Inasmuch as it costs approximately 15 cents to get a bushel of wheat from Chicago to Liverpool, our prices were 35 cents above the world market. Obviously under those conditions exports are impossible, and if American prices should by any chance drop to the world level it would mean that while we might be able to export some wheat the price which the Kansas farmer would receive on his farm would be little more than 30 cents per bushel. Of course, the time is never going to come when we can afford to grow and sell wheat in this country for that price.

There is no product in the world today in the marketing of which there is more competition than wheat. That competition is going to continue and perhaps become even more intense. During the past 30 years Canada has increased its wheat acreage 375 percent; Argentina has increased its acreage 250 percent; and Australia 350 percent. In none of these countries has the limit of expansion been reached as yet, and competent authorities estimate that all of these countries can extend their wheat acreage at costs which are far below our production costs in the United States. This leaves Russia out of consideration entirely, and yet we know that the possibilities for increasing the production in that country are very great.

The above figures have not taken into consideration the matter of transportation rates. The American farmer suffers a tremendous handicap in this respect due to the fact that the wheat producing areas of our three principal competing countries not only have lower freight rates, but are near water transportation.

Not only have we suffered from the intense competition offered by other exporting countries but every importing country has offered inducements to its producers which have resulted in great increases in production so that the world market for wheat has become more and more restricted. It, therefore, appears that for a long time to come there is no possibility that we shall find an export market for wheat except at prices which are far below the cost of production in this country.

Leaving wheat, let us consider what the possibilities are as to finding a market for surplus lard. It is true we were formerly able to dispose of a considerable quantity of our packing-house lard in central Europe. We have lost that market today, however, and in view of the competition of whale and fish oils and tropical vegetable oils it seems impossible that we shall be able to regain a market for lard at a price which will pay the cost of production in this country.

As far as cotton and tobacco are concerned, it is generally admitted, I am sure, that reciprocal tariff arrangements would not be of any assistance in finding markets. Those of you who have read the hearings will recall the statement of Secretary Wallace before the committee, where, in response to the question:

> Now, do you see any way through trade agreements by which we can sell more cotton, for instance, to Great Britain?

Mr. Wallace replied:

> Speaking for my own part, I don't see where trade agreements would enter into the cotton situation to any material degree, because cotton moves abroad anyway. We would not be getting any benefit by exchanging, well, say, cotton for champagne, which was the illustration used this morning, I believe, because France would be buying cotton anyway. It would not bring about expansion to do that.

What Secretary Wallace says with regard to cotton is, of course, equally applicable to those types of tobacco which we grow for export.

It would seem, therefore, that the possibility of securing further markets for our agricultural products, of which we have been producing an exportable surplus, is quite remote, if not utterly out of the question. That brings us to the other half of the equation, namely, whether the attempt to increase foreign trade through reciprocal tariffs might not do serious injury to branches of agriculture which are not on an export basis. In this connection we cannot overlook the policy of this administration toward agricultural tariffs as revealed by instances which have recently taken place. The policy of the administration toward the beet- and cane-sugar industry has been the subject of frequent discussion here on the floor and is too well-known to require further comment at this time. In connection with the hearings before the House Committee on Agriculture on the sugar bill Dr. Tugwell, Assistant Secretary of Agriculture, and the man who I understand represents that Department on the foreign policy committee of the administration, expressed his views as to tariff protection generally as follows:

> Well, I am afraid that Mr. Weaver, who made that statement, is a better Democrat than most of us. I think he believes that no industry is entitled to support by tariff, and I may say personally that I agree with him.

It is only fair to Dr. Tugwell to state that he went on and stated that he did not favor the entire elimination of the domestic sugar industry by withdrawing tariff protection at this time. However, I am sure that he would not deny that the statement above quoted is a correct expression of his views on the subject of agricultural tariffs generally. Now, of course, if that is the view of the administration, as expressed by one who not only holds a high official position but who is credited with being the no. 1 man of the "brain trust" and the close advisor of the President on economic matters, it justly furnishes cause for alarm to all the producers of agricultural commodities. This is true because with the exception of cotton there is no important agricultural commodity which we produce which cannot be grown at a lower cost somewhere on the globe, and, consequently, in order to protect our own growers it is necessary to impose tariffs. In other words, to apply the test suggested by the proponents of the legislation, they are inefficient industries. Therefore, if Professor Tugwell's views are to prevail in the administration of this tariff measure we may look forward to the time when protection will be denied to any branch of agriculture in this country.

The attitude of the administration toward the protection of the American farmer was further revealed in the first draft of this legislation, the bill introduced on March 2. Section 2 of that bill, among other things, provides that the third paragraph of section 311 of the Tariff Act of 1930 shall not apply to any agreement concluded pursuant to this act.

Now just what does that mean? It means precisely this: That in the reciprocal treaties which are made by authority of this legislation preference shall be given to flour which is milled in bond in Buffalo from Canadian wheat over flour produced by American farmers on American farms. The third paragraph of section 311 of the Tariff Act of 1930 attempts to protect the American farmer in this regard by providing that in the case of exports to countries with which we have reciprocal tariff arrangements the Buffalo miller must pay into the Treasury of the United States an amount equal to the preference given flour from this country by the nation to which flour is to be exported, in this way preventing the Buffalo miller of Canadian wheat from securing the advantage over the miller of American wheat. The original draft of this act, however, provided that this legislation should be disregarded in making agreements under this act. Could there be any more flagrant case of disregard of the American producer in favor of the foreign producer than this? To the credit of the Committee on Ways and Means, be it said that when this matter was called to their attention they attempted to rectify it, but in my judgment have only partly done so by adopting the amendment which was proposed by the State Department. As the bill now reads, it provides that the third paragraph of section 311 "shall not apply to any agreement concluded pursuant to this act with any country which does not grant exclusive preferential duties to the United States with respect to flour." I am told that, owing to our treaties, embodying the most-favored-nation provision, there is no country except Cuba which can give exclusive preferential duties to the United States. This means, therefore, that, except in Cuba, the Buffalo miller of Canadian wheat is going to be given a great advantage over the miller of American wheat and that the benefits of such reciprocal treaties as we may make with respect to wheat is going to go to the Canadian farmer rather than the American farmer, also affording a further illustration of the fact that there is no opportunity under the provisions of this legislation to expand the market for American wheat and flour.

I cannot overlook the further fact that this legislation was proposed shortly after the return of the Secretary of State from a trip to our sister republics in South America. Obviously, it is the thought of the administration that it may be possible through this legislation to make reciprocal treaties with the South American countries. If we do that, what is the nature of the trade so developed going to be? Obviously, it will mean that we shall have to permit the importation of raw materials, because these countries have no manufacturing industries. Likewise, we will exchange for those raw materials manufactured articles, because those are the products which South American countries need and desire. If that is the case and it appears to me that it is very obvious that it will be the case, it means that the American farmer is going to be faced with the competition of Argentine beef, flax, hides, wool, and wheat; with cattle, fresh fruits and vegetables, hides, and other products from Mexico, with sugar from Cuba and other countries to the south, and with many varieties of fresh fruits and vegetables from Cuba and other Latin American countries. Canada furnishes a great market for industrial products; but if we are to extend our markets in that country, we must be prepared to take in exchange wheat, cattle, and dairy products to the detriment of our own producers.

Aside from agricultural products, if we build up a trade in manufactured articles with countries less developed than our own, we must be prepared to take in exchange nonagricultural raw materials such as petroleum, copper, and lumber. How is it going to help the petroleum industry in this country, centered in the great States of Texas, Oklahoma, Kansas, and California, to import petroleum from Venezuela, Mexico, and Colombia even if we are able to dispose of machinery and automobiles in exchange therefor? How are the States of Arizona and Montana to be benefited if we trade manufactured articles for copper from Chile and other countries, and of what avail is it going to be to the great lumber States of Washington and Oregon if in exchange for automobiles, typewriters, and farm machinery we are compelled to take lumber and its products from Russia and Canada?

How would it adversely affect the wheat growers of Kansas to lower the tariff and increase our imports of flax, sugar, and dairy products? Assuming that wheat producers do not grow the products mentioned, it means that land now devoted to the production of flax, sugar beets, and dairy products will be brought into wheat production in competition with Kansas farmers.

Since, as I have already shown, it is nearly, if not entirely, impossible to increase our export markets are we to be entirely helpless in the matter? Is it true that we are going to have to put into effect compulsory crop control and have the Department of Agriculture in Washington tell our farmers what they can grow? What is the solution? Perhaps a hint of what it is can be taken from the fact that even in the depression year of 1933 we imported over $500,000,000 worth of agricultural products which could have been grown in this country. Under the plan of those who are advocating this legislation we would not only continue to bring in these substitutes for American products but would increase the amount on the faint chance that by doing so we might find additional markets for cotton, wheat, tobacco, and lard.

Is this a sensible or reasonable course to follow? Rather is not it better to forget for the time being the illusion of foreign markets which do not exist and arrange to protect the American farmer in what he can produce for consumption in this country.

There may be those who think there is danger in this bill for the industrial sections of the country, but to me it appears that there is a far greater danger to the agricultural sections and that the result in the end will be to sacrifice the interests of the Mississippi Valley for the industrial sections on both coasts, as has so often been done before.

Therefore, I feel that every Member of this House representing an agricultural constituency should think twice before putting into the hands of the President and his advisors the power to destroy absolutely some of the important branches of agriculture in this country.

Of course, it is going to be said, as has already been said many times in the course of this debate, that this power will not be used in such a fashion. I have no doubt but that those who have made such statements believe sincerely that this is the case. A year ago, however, many of you believed just as sincerely that if the President were given the power which he asked for in the economy bill it would be exercised with justice and mercy. The question as to whether or not it has been so exercised is best answered by the fact that on yesterday 210 members of the President's own party voted to pass over his veto a bill which, in a large degree, takes away the power and discretion conferred in the Economy Act.

To say that the powers granted in the pending bill will not be exercised fairly or justly is not necessarily a criticism of the President, in whose integrity and good intentions all of us have the greatest confidence. It does mean, however, that those upon whom the President must necessarily depend to exercise these powers may fail as signally to do justice as has been the case in the administration of the Economy Act.

With the lesson of the Economy Act before us, it seems to me that all of us who in good faith want to protect the interests of our own districts, should hesitate a long time before conferring upon any individual the tremendous powers contained in this bill. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 8 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, the few remarks one can make in 8 minutes on such an important measure are made because of loyalty to the section from which one comes.

I have read practically all the hearings held by the Ways and Means Committee. We have listened to the somersaulting opinions that have been put in the RECORD until our heads swim, and whom of your present and former

Democratic leaders can you now follow? Even the President of the United States himself, referring to a campaign speech of 1932, has had a complete somersault of opinion; and only on Monday we saw a most complete somersault of opinion on the part of the very able gentleman from Texas [Mr. SUMNERS]. The only way he could extricate himself was through a very eloquent and tearful appeal that we must not rock the boat; that we must support the administration; yet that tearful appeal on Monday did not seem to have any effect on giving support to the President's veto on yesterday.

It has been mentioned that possibly fine textiles and toys may be classed as inefficient industries. Well, that should be sufficient to claim my opposition, coming from the district which I represent. Sugar is often mentioned, and I think that will be enough for those who come from the districts where beet sugar is manufactured. They have dared to mention only a very few articles, so that those must have been the outstanding ones in mind marked for destruction for trading purposes. Throughout this long debate and during the lengthy hearings great care has been taken to avoid naming the industries that are to be subjected to these contemplated horse trades.

It is evident that it would not do to mention any particular industry. I am pleading this afternoon that you do not jeopardize our industries in New England, which are so highly diversified. Many of these industries may be considered inefficient from the standpoint that they do need tariff protection. They cannot compete with foreign nations without this tariff protection and preserve our American standard of living conditions. Business is in a most precarious condition. I have been hoping that the patient might be allowed to get in a little healthier condition before we performed any more of these major operations. Industries in general may now well be terror-stricken lest they be traded away without notice, and the banks may well be most careful about getting further involved in extending credit to what may be finally adjudged a good trading possibility. There will be some consternation caused by the passage of this measure, and at a time, above all other times, when such an effect should be avoided.

May I remind the House this afternoon that recently we were often told that conditions are getting better. We do believe that world conditions are getting better, and we also know that the banks are in a stronger liquid position. However, may I at this time refer to the word "thermometer"? We can imagine some people with their fur coats this winter coming indoors and saying, "Why, the weather is not very cold outside." "I believe the thermometer must be going up many degrees." "I am not suffering from the cold." Then someone else comes in who has no outside coat. He is probably shivering. He says, "I think the thermometer is going down, and it seems to me very cold indeed."

Thus they put into the RECORD spots in the country that seem to be on the upturn, but we do not put in the RECORD those spots where business is not on the upturn. We do not go down to the R.F.C. and look over thousands of applications of industries that are trying to save themselves from annihilation or to get on their feet. Have we a reasonably good thermometer to tell us the real state of affairs? We have. Only day before yesterday it was stated that the Federal Reserve banks had to issue more Federal Reserve notes against United States securities; that commercial paper was at the lowest ebb at any time since the war. You cannot deny the truth in the reading of this thermometer. Two weeks ago the Federal Reserve reported that the member banks owed less than they did a year ago. There is another reliable thermometer of business conditions. The administration seems to have almost complete dominance of the radio and even of the press. But the whole truth should be presented. Sections of the country where conditions have improved may well be commented upon, but the public also should know where conditions still prevail of opposite character.

Mr. Chairman, before this major operation is really performed, I appeal for consideration for the diversified industries in my section of the country. Why put more fear in them that their very existence may be jeopardized? Certainly creditors will not allow more credit to those that are in the least suspected of being marked for annihilation or even reduction. There are but few Members here paying attention to the arguments. I rather think, however, that the Members are reading these speeches rather carefully. I think they are weighing these arguments, especially of the leaders who have somersaulted. How can these same people who opposed these suggestions so strongly a year or more ago now turn around and take such a different attitude? Is there not a principle here involved? Is it so clearly a matter of pure politics? I am hopeful that we may be throwing off the yoke that has been around our necks. During the whole of the year 1932 I had to listen to the continued and most biting sarcasm and criticism of our Republican President. Until very recently criticism has seemed to be unpatriotic if applied to this administration. If the minority suggest or attempt to criticize, you whine and call it unpatriotic criticism. Now you have set the example yourselves. You have recently not only said things, but you did it yesterday. When the time comes that a great majority like yours will not support an administration veto it is time to release the gentlemen on this side of the aisle who are supposed to criticize and really fulfill its mission as a minority party without the charge of unpatriotism being hurled.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 2 additional minutes.

Mr. GIFFORD. I was placed in an unenviable position this year as ranking member of the minority and was supposed to investigate these great, so-called "relief expenditures." Whether my activity had anything to do with the matter or not, great changes in the manner of relief expenditures have been made by the administration itself. They have embarked upon an absolutely new scheme of relief which, as far as I can understand the plans at present, I rather approve. There is a new method, another somersault, but in the right direction.

Mr. Chairman, I stand here pleading for my New England. We have not the fertile fields of the South and West. When you visit me you say, "How can these people earn a living?" They have been frugal all these years. That bare country up there in New England has been financing the rest of the country. Although fields are not fertile, we have built ourselves up gradually until today we have a large number of important industries. Why threaten our existence? We do need a tariff. Of course, we are inefficient if that is to be the measure, as we cannot get along without a tariff to protect us from cheap labor abroad.

Mr. SUMNERS of Texas said the other day "Do not rock the boat. Stick to the boat." His statement appealed to me very strongly, because he is a warm personal friend of mine, but when he came face to face with his own language of a year or two ago he lost his head and became simply rhetorical. He suggests that we keep on making experiments. He might have told us that not a single experiment has as yet succeeded. All these schemes of the new deal are yet in the experimental stage. Even the N.R.A. is sagging, but we are hopeful. He tells us to be patriotic because if the boat goes down we are all going down together. Because of this fear he seems ready to sacrifice his principles, so often and so forcefully expressed.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. COCHRAN].

Mr. COCHRAN of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by including therein section 336, of the Tariff Act of 1930.

The CHAIRMAN (Mr. COLDEN). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COCHRAN of Pennsylvania. Mr. Chairman, on March 2, 1934, President Franklin D. Roosevelt sent to Congress a message asking that he be given the authority to

levy taxes, and to conclude treaties, "trade treaties" he termed them, without ratification by the Senate, or approval by the Congress.

On the same day the Honorable ROBERT L. DOUGHTON, Chairman of the Committee on Ways and Means of the House, introduced the administration's bill which would grant the authority requested.

On March 5 notice was given that the Committee on Ways and Means would commence hearings on the bill on March 8, and on the latter date the chairman of the committee announced his intention to close the hearings on March 12. This speed was in compliance with the President's "hope for early action", but permitted no adequate consideration for a measure of such vital importance to American agriculture, industry, and labor. On the latter date insistent and repeated requests became necessary to secure a hearing for two opponents of the bill—James A. Emery on March 13 and Samuel Crowther on March 15. The bill was reported to the House on March 17 and consideration there was commenced on March 23 and probably will be completed with its passage on March 29. There will then have passed the House in 6 days a bill upon which hearings were held for a like time, and which gives to one man the power to destroy every agricultural and industrial enterprise dependent upon a protective tariff for its existence.

It is at once apparent that the speed with which this measure was rushed through the committee prevented that careful, studied, and deliberate consideration which should have been given a matter of such far-reaching effect. Since the recent destruction of our Air Mail Service by Executive order, a letter mailed from Washington to Pacific coast points cannot receive an answer in 6 days. The result is that the views of agriculture, industry, and labor could not be and were not fully and fairly presented to the committee and are not now known to the membership of the House. Few, it seems, desire to have these views, but are supinely content to vote "yes" for any grant of power requested by the President, without consideration of its constitutionality or long-established governmental policy. Germany, a few years ago, had 22 political parties, but now, under the dictatorship of Hitler, has one: and her present Reichtag is known as the "Ya Reichstag". If the Seventy-third Congress does not soon commence to function by doing its own legislative thinking and voting, my fear is that it will go down in history as the "Yes Congress".

It should be unnecessary to state that my opposition to this bill is not based upon any doubt of the integrity and high purpose of the man at present in the White House.

Under our Constitution and the traditions of our people I could not justify the grant of such power to any man. It is not a question of politics or individuals.

The results of the honest but injudicious exercise of such power would be disastrous to large sections of our country, agricultural and industrial, and would impoverish large blocks of our workers. For instance, if the cotton interests of the country should gain the confidence of the Chief Executive and persuade him to conclude a trade agreement with Russia whereby the tariff upon wheat would be reduced 50 percent in consideration of more favorable trade conditions for American cotton in the Russian markets, the result in our wheat-growing States would be the despair and armed defiance of judicial process which obtained a year ago; and the result in our cotton-growing States would be no enlarged market for cotton in Russia, for no trade agreement with its government could compel its industries or people to buy our cotton. They would buy in the cheaper markets of India, Egypt, or the Sudan.

The results of the dishonest and corrupt exercise of such power, or the promise of it, might determine presidential and congressional elections, or might even plunge the country into a revolution by destroying large industrial enterprises and stagnating large agricultural areas.

These are not fanciful illustrations. Under the bill the President in negotiating a trade agreement acts without the aid, counsel, or advice of any governmental agency, fact-finding body, or commission. The agreement once made becomes effective without submission to or approval by the Congress or either branch thereof; and its Members are the chosen representatives of the people to be affected thereby. The answer is made that the President will seek competent advice from existing governmental agencies and will be guided by the highest motives in administering the law. However, the road to destruction is paved with good intentions.

Inasmuch as his Secretary of Agriculture, Mr. Wallace, appeared before the committee and advocated the passage of the bill, he would undoubtedly be consulted if a trade agreement covering wheat were considered. Secretary Wallace advised the committee that American inefficient products should be made the subject of foreign trade agreements, and his test of efficiency is: Can the article be produced cheaper in the foreign country? This test would make many of our industrial and most of our agricultural products the subjects of trade agreements, and wheat would be one of them.

The Chairman of the Ways and Means Committee, the Honorable ROBERT L. DOUGHTON, as an argument for the passage of the bill, cited statistics showing the decline in our export trade during the years 1925 to 1933, inclusive. He argued that foreign countries could not buy from us because they could not sell to us, and that they could not sell to us because of our high tariffs. This argument falls when we consider the fact that exports of dutiable and nondutiable articles fell in the same proportion during the years named and when we consider the further fact that America had high tariff duties when our export trade was the largest.

This depression has been world-wide and exempted no country from its constricting effects. The commerce of all nations was greatly reduced, but has now begun to expand in Europe and both Americas. The statistics cited by Mr. DOUGHTON show that the low point in our export trade was reached in 1932, and that there was a gain of more than 4 per cent in 1933. More impressive is the gain in January of 1934 over January of 1933, where our export trade increased more than 42 per cent. It will be many years before it reaches its former high total, measured either in volume or in terms of dollars. Few of us sense the new economy. No longer are the nations of the earth divided into manufacturing nations and raw-material nations, but each seeks to become self-contained and self-sustained, and many have almost succeeded. The World War hastened the movement. Prior thereto the United States relied upon Chili for nitrates and upon Germany for potash and many chemicals and dyes. When these sources were shut off by the war our chemists supplied our needs, and a great step toward complete self-containment was taken.

I do not minimize the importance of expanding our export trade if same can be done without damage to our home markets, but I am firmly convinced that such expansion can be accomplished best under our present system of tariff laws, with appropriate changes in the rates of duty where costs of production have changed. These changes, in most instances, can be made under its flexible provisions.

The American market belongs to the American people and should be preserved for them. On it is sold more than 90 per cent of all we produce, and on it is done more than one half of the business of the entire world. It is because of these facts that the nations of the world seek to enter it, and no one should be permitted to barter or trade away any portion of it. It should be guarded from foreign invasion as carefully as our territorial limits.

The theory of protection for American industry, agriculture, and labor, although always advocated by the Republican Party and opposed by the Democratic, did not originate with the former. It was in the minds of those who framed the Constitution. The second act passed by the First Congress of the United States, July 4, 1789 (ch. 2, 1 Stat. 24), contained the following recital:

SECTION 1. Whereas it is necessary for the support of Government, for the discharge of the debts of the United States, and the encouragement and protection of manufacturers, that duties be laid on goods, wares, and merchandise imported:

Be it enacted, etc.

In this Congress sat many members of the Constitutional Convention of 1787.

From that day until this day the attempt has been made to prevent destructive foreign competition where the foreign article can be delivered in the principal markets of the United States at a price less than the cost of production of like articles here. The difference in such costs is added to that of the foreign article, and thus foreign and domestic products enter American markets upon a price equality.

If this price equality is maintained—and it can be maintained in most instances by the flexible provisions of the present tariff law—foreign trade will be encouraged, our exports will expand, and every benefit promised by the proponents of the bill will be secured.

The theory and practice of protection of industry and agriculture has so prospered the United States that all European countries and nearly all other countries of the world have adopted it. Prior to 1840 England had the most drastic protection laws enacted at any time by any nation. It was a penal offense to import a yard of cloth. Flemish weavers were brought to England to teach the English people the art of weaving and her varied industries were expanded to the highest volume of production. It became necessary to seek outside markets and England passed the corn laws about 1840, sacrificed agriculture to industry, and became a free-trade country. This policy was followed many years with increasing disaster until her statesmen, heeding past history and the experience of the United States, gradually returned to the protective policy. From 1927 to 1932 Lords Beaverbrook and Northcliffe, with their powerful newspapers, sponsored a campaign to "Buy British" and to preserve the British markets for the British people. This campaign resulted in the Imperial Economic Conference held in Ottawa, Canada, in 1932, whereat, on August 20, 1932, pacts, known as the "Ottawa Pacts", were executed between and among the United Kingdom and the British Commonwealths, preserving the British markets to the British peoples by a system of high protective tariffs. I was in Canada for a time while the conference was in session, and anxiety was expressed that above policy might be offensive to the people of the United States. I replied that no offense could be taken for we recognized the right of the British Parliments to legislate for the benefit of the British people, just as the United States Congress exercised the right to legislate for the benefit of the people of the United States.

The wisdom of the Ottawa Pacts has already been demonstrated by the revival in business throughout Great Britain and the British Commonwealths. With that recent experience before us, shall we pass this bill and grant the President of the United States the authority to barter away our markets? It should be borne in mind that the bill provides no policy or plan by which the President shall be guided in negotiating trade agreements; his discretion, that of one man, will be unlimited. He is not compelled or even advised to consult the Tariff Commission with its trained personnel of 273 at home and abroad, many of them experts with years of experience. If he continues the practice he has followed since entering the White House, he will depend almost entirely upon the "brain trust" for advice and guidance. I do not entertain the common prejudice against this group of professors, but my criticism of these advisers is that they are a group of theorists and to it should be added men of outstanding achievements in the fields of industry, agriculture, and commerce. This group is responsible to no one save the President, and he must bear the odium of their errors, and they have been many.

During the course of the hearings before the committee, with other members of the minority, I attempted to secure from representatives of the administration an example of a trade agreement such as they contemplated to conclude if this bill became law. Answers were refused on the grounds that future negotiations might be jeopardized. However, the real reason was the fear that the passage of the bill would be jeopardized if the Members of this House knew what industries and products of their districts were to be sacrificed in trade agreements.

For purposes of comparison with the bill before us, I will at this point in my remarks insert the flexible provisions of the Tariff Act of 1930. They are as follows:

SEC. 336. EQUALIZATION OF COSTS OF PRODUCTION

(a) Change of classification or duties: In order to put into force and effect the policy of Congress by this act intended, the Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total increase or decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute.

(b) Change to American selling price: If the Commission finds upon any such investigation that such differences cannot be equalized by proceedings as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the American selling price (as defined in sec. 402 (g)) of the domestic article, as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute, and no such rate shall be increased.

(c) Proclamation by the President: The President shall by proclamation approve the rates of duty and changes in classification and in basis of value specified in any report of the Commission under this section if, in his judgment, such rates of duty and changes are shown by such investigation of the Commission to be necessary to equalize such differences in costs of production.

(d) Effective date of rates and changes: Commencing 30 days after the date of any Presidential proclamation of approval the increased or decreased rates of duty and changes in classification or in basis of value specified in the report of the Commission shall take effect.

(e) Ascertainment of differences in costs of production: In ascertaining under this section the differences in costs of production, the Commission shall take into consideration, insofar as it finds it practicable:

(1) In the case of a domestic article: (A) The cost of production as hereinafter in this section defined; (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; and (C) other relevant factors that constitute an advantage or disadvantage in competition.

(2) In the case of a foreign article: (A) The cost of production as hereinafter in this section defined, or, if the Commission finds that such cost is not readily ascertainable, the Commission may accept as evidence thereof, or as supplemental thereto, the weighted average of the invoice prices or values for a representative period and/or the average wholesale selling price for a representative period (which price shall be that at which the article is freely offered for sale to all purchasers in the principal market or markets of the principal competing country or countries in the ordinary course of trade and in the usual wholesale quantities in such market or markets); (B) transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; (C) other relevant factors that constitute an advantage or disadvantage in competition, including advantages granted to the foreign producers by a government, person, partnership, corporation, or association in a foreign country.

(f) Modification of changes in duty: Any increased or decreased rate of duty or change in classification or in basis of value which has taken effect as above provided may be modified or terminated in the same manner and subject to the same conditions and limitations (including time of taking effect) as is provided in this section in the case of original increases, decreases, or changes.

(g) Prohibition against transfers from the free list to the dutiable list or from the dutiable list to the free list: Nothing in this section shall be construed to authorize a transfer of an article from the dutiable list to the free list or from the free list to the dutiable list, nor a change in form of duty. Whenever it is provided in any paragraph of title I of this act, or in any amendatory act, that the duty or duties shall not exceed a specified ad valorem rate upon the articles provided for in such paragraph, no rate

determined under the provisions of this section upon such articles shall exceed the maximum ad valorem rate so specified.

(h) Definitions: For the purpose of this section—

(1) The term "domestic article" means an article wholly or in part the growth or product of the United States; and the term "foreign article" means an article wholly or in part the growth or product of a foreign country.

(2) The term "United States" includes the several States and Territories and the District of Columbia.

(3) The term "foreign country" means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions).

(4) The term "cost of production", when applied with respect to either a domestic article or a foreign article, includes, for a period which is representative of conditions in production of the article: (A) The price or cost of materials, labor costs, and other direct charges incurred in the production of the article and in the processes or methods employed in its production; (B) the usual general expenses, including charges for depreciation or depletion which are representative of the equipment and property employed in the production of the article and charges for rent or interest which are representative of the cost of obtaining capital or instruments of production; and (C) the cost of containers and coverings of whatever nature, and other costs, charges, and expenses incident to placing the article in condition packed ready for delivery.

(i) Rules and regulations of President: The President is authorized to make all needful rules and regulations for carrying out his functions under the provisions of this section.

(j) Rules and regulations of Secretary of Treasury: The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign particles of the class or kind of articles with respect to which a change in basis of value has been made under the provisions of subdivision (b) of this section, and for the form of invoice required at time of entry.

(k) Investigations prior to enactment of act: All uncompleted investigations instituted prior to the approval of this act under the provisions of section 315 of the Tariff Act of 1922, including investigations in which the President has not proclaimed changes in classification or in basis of value or increases or decreases in rates of duty, shall be dismissed without prejudice; but the information and evidence secured by the Commission in any such investigation may be given due consideration in any investigation instituted under the provisions of this section.

A judicious execution of the section of the present tariff law just quoted will secure all the benefits promised by the most ardent supporters of the bill under consideration. As indicated by its caption, its purpose is "equalization of costs of production." That is, foreign nations can offer their goods in our markets at the cost of production of like goods in the United States. The very purpose and intent of this bill is to permit foreign nations to offer their goods in our markets at prices below the cost of production of like goods in the United States. In making this statement I am mindful of the fact that the bill would permit the raising of tariffs, but an increase of tariffs would never be a consideration that would move a foreign nation to execute a trade agreement.

It should be borne in mind that a decrease in a tariff rate in favor of a foreign nation entering into a trade agreement with the United States would be effective in favor of all nations, though not signatory to the agreement. For example, in the illustration used at the beginning of my remarks, if we made a trade agreement with Russia whereby the tariff upon wheat would be reduced 50 per cent, the reduced rate would be effective world-wide, and Canada, Argentina, and other wheat-producing countries would enjoy the full benefits of the agreement without making trade concessions to the United States.

The flexible provisions of the present tariff law correct inequalities of tariff rates that may arise between sessions of Congress and between periods when general revisions become necessary. Provision is made for initiation of investigations before the Tariff Commission to determine whether inequalities exist. But, most important of all, the industry to be affected by a change in rate is given the right to be heard. The fact and the extent of any inequality alleged to exist is determined by a quasi-judicial body, the creature of Congress. The purpose of the pending bill is not the execution of trade agreements upon equality of costs of production at home and abroad but upon inequality, with the difference in favor of the foreign producer.

These agreements would be executed in secret, without notice to the industry to be affected or the right to be heard. The industries so treated would literally be lynched. The enactment of this bill in its present form would be a continuing threat against agriculture and industry—a sword of Damocles that would stagnate both.

The best illustration of the effect upon industry and the American people of action in secret by the Chief Executive is afforded by his recent cancelation of the air-mail contracts without affording the companies affected thereby a chance to present their case. In this action, conceived in secret, there was another interest ignored—that of the public. Without warning 115 cities were deprived of air-mail service, 36 cities were deprived either totally or partially of passenger and express service by airplane, 650 pilots, copilots, and other persons were deprived of employment, and 82,400 American citizens, stockholders in the various companies affected by the order, lost large sums of money in the instant decline in the value of their holdings. This was followed by the ghastly and needless sacrifice of the lives of 11 Army pilots, who, under military orders and without adequate training, attempted to transport the mails in planes unsuited for the use and unsupplied with the instruments necessary for safe flying.

The President made a tragic mistake, and the excuse is offered that he was poorly advised. That is true, but it was a decision reached in secret conferences with persons who did not share the responsibility. All these catastrophies resulted because it was alleged that certain officers of certain companies had been guilty of wrongdoing in securing the air-mail contracts. No opportunity to be heard was given; no resort to the courts of the land was had. The contracts were simply canceled, and the right to make such cancelation left for judicial determination hereafter, with the almost certainty that the Government will be compelled to respond in damages for the wrongful cancelation. So confident were the officers of one company that they were innocent of wrongdoing that they offered to carry the mail for 30 days, to be compensated therefor only in the event that their contract was found untainted with fraud. The offer was refused. It is not conceivable that the order of cancelation would have been issued had the interested parties been afforded a prior opportunity for a hearing, and had the President sought the advice of Lindbergh and Rickenbacker and other outstanding pilots conversant with the problems and dangers of flying the mails.

The provisions of the bill are unconstitutional for the reasons so ably advanced by our colleague, Mr. BECK, and others. Its passage would seriously retard recovery. The exercise of the powers to be conferred therein would destroy many branches of industry, demoralize large agricultural areas, and result in widespread unemployment. [Applause.]

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to use to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, one of these days we will wake up to learn once more that the great majority of the people of these United States still believe in a representative form of government and the discharge by the several branches thereof of the duties and obligations constitutionally inherent therein. It is still true, and a great majority of Americans are so convinced, that democracy, representative government, free speech, and a free press, in spite of their faults, are best suited to the needs and demands we Americans make of the Government upon which we depend and under which we live. Someone has said that countries not so long accustomed to free representative government may not find despotism objectionable, but in America I believe that we have been working along better lines, more suited to our own habits of thought and more likely to lead to a permanent solution of the problems of this age.

True it is that government of the people, by the people, and for the people has steadily perished on European soil. We may well ask the question: Where next is autocracy to triumph in a world supposedly made safe for democracy 15 fantastic years ago?

I am in favor of reciprocal tariff agreements negotiated by those authorized and empowered to make such agreements under the law.

I am in favor of the reasonable extension of our foreign commerce under such trade treaties if the same can be so effected.

I believe in the theory of reciprocal trade agreements effectuated under constitutional authority and within the law of this land.

I am in favor of many things for which this measure attempts to provide the method of accomplishment, but I am unalterably opposed to the bill itself because I believe it is unconstitutional, and the policy for which it stands, so far as the means of attaining the end sought thereby, is un-American and wrong; it follows that compromise is impossible.

There are such unusual policies and problems of government involved in this measure so vitally affecting the welfare of the people of the United States and millions of citizens yet unborn as to relegate to the background and to make of trivial importance, comparatively speaking, all questions of temporary expediency, of tariff treaties, reciprocal trade agreements involving the extension of our commerce or our international relations.

The founders of this Republic undertook to establish a government in which the will of the people should be supreme. Every end they sought to attain or had in mind was motivated by a desire to found a democracy free, on the one hand, from the perils of autocracy and dictatorship, with which they were altogether too familiar, and, on the other, to protect themselves against anarchy and a disorderly government, in order to secure the blessings of liberty for themselves and their posterity.

Over and over again they wrote into their fundamental laws and declarations the challenging statement that frequent recurrence to fundamental principles, a strict adherence to justice, moderation, temperance, industry, and frugality are absolutely necessary to preserve the blessings of liberty and keep government free. The checks and balances they made a part of the governmental structure they erected, if observed and followed, will continue to guarantee the perpetuity of the nation they created, and will preserve the safety of the countless millions who now and in the days to come shall seek and be entitled to the protection it affords.

I am not an alarmist, but I am concerned that the permanency of our national life and its integrity is involved in the governmental policy we are asked to countenance and approve. I am sure that the preservation of our liberties and the perpetuity of our form of government is the tremendous stake at issue and which must be met. The question confronting us is too momentous and serious to be the football of partisan politics. It transcends all questions of tariff or trade agreements. This bill strikes at the very root of all our American institutions. It is another step toward a change in our form of government. This is the issue involved.

It is axiomatic that the Constitution does not give the President the right or the authority to legislate; that is not a function of the executive branch. Congress cannot delegate such power or authority to the President or anyone else. The Constitution specifically forbids it. I have not been able to find any, and it has been incontrovertably stated that "there is no decision of any court anywhere by virtue of which it has been held that Congress has any right to delegate its power of legislation." It is equally true that there is no decision of any court anywhere upholding the constitutionality of any act undertaking to give the President the power to tax. "The Congress shall have power to lay and collect taxes", says the Federal Constitution; and who shall say that is not the fundamental law which he who runs may read? It is not susceptible of distortion or contravention.

The functions, duties, and responsibilities of the executive, legislative, and judicial branches of our Government are clearly defined by the supreme law of the land, limited and construed by the numerous decisions of our highest judicial tribunals.

It may be futile, as has been suggested, to oppose the enactment of this radical legislation which contemplates the transfer of the taxing power from the legislative to the executive branch, an abdication of rights and powers absolutely in derogation of, and contrary to law—not a delegation of administrative authority involving the use of a discretion thereunder according to the law, but a delegation of authority, prerogatives, and certain duties resting in and inherent alone in the Congress, nondelegable by virtue of the very nature thereof. Such a delegation in effect makes the Executive not only the executive but the legislative and judicial branch—a 3-in-1 arrangement, which ipso facto undertakes to deprive the legislative and judicial branches of the very power and authority and prerogatives which by and under the Constitution cannot be so delegated.

Opposition to such proposed legislation, and the suggestion with respect to its un-American and unconstitutional characteristics may avail nothing, but I would be remiss in the discharge of my obligations as a representative of the people of Vermont and derelict in my duty as a citizen, did I not most strenuously resist and oppose the measure we are now considering.

This measure should not be permitted to become a law. It is subversive of the very principles of government on which this Nation was established and must retain as basic, if it is to survive the fate of others that have followed the path of experimentation, dictatorship, and final political oblivion. The great disillustionment is due to arrive. The unwise and increasingly daring, un-American, and dangerous policies which the advisers of the President are attempting to force him to adopt and recommend and which have heretofore been foisted on the American people must be stopped. America must choose!

The gravest peril that confronts the Republic today is the apathy and indifference of its citizens and the semi-paralyzed condition of the body politic. In a democracy such a disease is insidious and deadly. Such legislation as this can only serve to broaden the area of devastation and to furnish more food on which the germ of communism and other "isms" may thrive and grow strong and eventually consummate the complete disintegration of the body politic.

This is America—God save the mark—and the liberties of her people must be preserved and conserved, their freedom guaranteed, and the initiative of the individual, which has made her great, must be encouraged. Autocratic, dictatorial enforcement of cooperation or regimentation of labor or control of production under threat of fine or imprisonment has no place in our American scheme and system of government. No more has the measure we are considering, which is but another step toward dictatorship.

It has been well said that—

> It is not the gravity of the crisis as it affects the Constitution which alone should give us concern. The spirit of individualism is almost extinct; the average artisan today looks not to his good right arm but to the great and incomprehensible machine for salvation—he feels the Government is something to live on and not to live under.

The foundations are fast sinking, and, if the present process of destruction proceeds, it is not unlikely that within the life of the present generation the whole structure will fall into careless ruin.

It is time to stop and look and listen. America has solved many problems, but, as she meets and eventually defeats such issues as this, so shall she stand or fall. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield such time as he may desire to use to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, it occurs to me that some of my good friends, including my California associates on the minority side, have forgotten that a great proportion of the agricultural industry of the United States is built on an export basis, and that if this export agriculture is to continue to be strangled, not so much by our own tariff that we have today as by the tariffs and quotas that have been imposed by foreign countries, that all of this domestic agricultural production is going to be thrown back upon the home market to the ruin of their competitors in similar lines

throughout the Union. I refer, particularly, Mr. Chairman, to the fruit industry of the United States, and I want to assure you, on both sides of the House, that when the gentleman from California [Mr. EVANS] and the gentleman from California [Mr. ELTSE] read into the RECORD a while ago certain telegrams and dispatches, they were in no wise representative of what is California's most important agricultural industry.

To many of you it will probably come as a strange announcement that California is largely an exporting State. But it is. In the year 1930, which is the last year for which we can have any figures that may be called normal, its exports, in value, were exceeded only by the States of New York and Texas. These exports, very largely, consist of the fresh and processed fruits grown there, as well as other agricultural products.

In this connection I desire to read to you a telegram received from the Dried Fruit Association of California:

SAN FRANCISCO, CALIF., *March 19, 1934.*

Hon. FRANK BUCK,
House Office Building, Washington, D.C.:

Pending legislation intended confer tariff powers upon President for purpose development reciprocal arrangements with foreign countries to benefit American agricultural exports believe of tremendous value to California dried-fruit industry, which is basic to fruit production this State. This association, with membership handling more than 95 percent of total dried-fruit production, earnestly requests your support of this legislation or any measure giving President necessary powers for reciprocal negotiations. Normally this industry dependent upon foreign trade for approximately 50 percent; total tonnage sold last year was reduced to 30 percent account various foreign restrictions, mainly tariff. Since dried-fruit outlet absorbs nearly 2,000,000 tons fresh fruit, successful exportation dried fruit vital to entire fresh-fruit industry.

Sincerely,

DWIGHT K. GRADY,
Vice President Dried Fruit Association of California.

What is true of the dried-fruit industry is equally true of the canning industry, not only of California but of the entire Pacific coast. The development of our orchards has been made on the basis of foreign exports of the products thereof. If the huge tonnage now available cannot be exported under favorable reciprocal agreements, it must either be sold in the United States or the orchards must be wiped out of existence and the farmers on them thrown into other channels of occupation. If we accept the figures of Mr. Grady as correct—and as a producer of fruit I can say that they err, if at all, on the conservative side—sale of this additional quantity in the United States will mean an increase of domestic consumption of California fruit products of 100 percent. This enormous quantity will be thrown on the market in competition with the apples and pears of New England and the Northern States and in competition with every other food product in the United States. It is with no false ideas of theory, therefore, but with a practical realization of the facts that confront us, that I have presented this telegram to you with my endorsement of the position which the author of it takes.

This position is endorsed by others. I had hoped that the minority Members who represent the great city of San Francisco would present for your consideration the position of the San Francisco Chamber of Commerce, whose members certainly no one can accuse of being partisan or interested in the destruction of industry. In view of the fact that they have not seen fit to do so, as one who is vitally interested in the welfare of San Francisco, I beg leave to present the position of the chamber, set out as follows:

SAN FRANCISCO CHAMBER OF COMMERCE,
Washington, D.C., March 16, 1934.

Hon. FRANK H. BUCK,
House of Representatives, Washington, D.C.

MY DEAR MR. BUCK: The board of directors of the San Francisco Chamber of Commerce yesterday endorsed the reciprocal tariff bill and so notified me by telegraph this morning. This is H.R. 8687, and the chamber hopes you can see your way clear to support it.

Mr. J. W. Mailliard, Jr., president of the chamber, states in his dispatch:

"Experts are convinced that reciprocal tariff arrangements—that is, concessions for concessions in the matter of tariff rates—is the only way that the present log jam in the flow of international trade can be broken. I am convinced that the President will seek advice from experts and that he will use these powers in a manner which will do no harm to our domestic production, but will find commodities, the import of which may be increased without detriment to our domestic economy."

Sincerely yours,

C. B. DODDS,
Washington Representative.

The directors of the San Francisco Chamber of Commerce are well aware of the great agricultural community that they have behind them and of the great opportunities that will accrue through its continued prosperity. They are aware that their own port facilities need and are awaiting the revival of the foreign trade that can only be accomplished through the passage of this bill.

Mr. Chairman, I regret that my time is limited. I shall only conclude by calling the attention of the committee again to the fact that not all industry, not all agriculture, can be limited to domestic markets and domestic consumption without upsetting them and in many cases ruining established forms of public enterprise that have been founded and developed to the profit of the individual American citizen on the basis of the natural flow of foreign commerce.

Mr. COOPER of Tennessee. Mr. Chairman, I yield to the gentleman from California [Mr. COLDEN].

Mr. COLDEN. Mr. Chairman, it has been interesting to follow the extensive debate in the House on the present tariff proposal and listen to the jibes, quotations, and repartee of both the Democrats and the Republicans as to what each points out as a reversal of opinions on reciprocity and the inconsistencies of each other. As a boy on the farm, I well remember the eloquent appeals of James G. Blaine, the Republican nominee for President, for his program of the development of foreign trade, as well as the determined declarations of Grover Cleveland, the Democratic candidate, for a tariff for revenue only. While I was not a convert to his party, I was deeply impressed with the Plumed Knight's tariff policy, and have remained until this day in the belief that reciprocity is a sound policy for the development of foreign trade.

I remember, too, in my early days of the intriguing pamphlets of Henry George and his argument for a single tax levied upon real estate alone. I found his Protection or Free Trade, Which? more convincing to me against the fallacies of a high tariff than I did in favor of his theory of single tax. Free trade is an appealing theory, and its doctrines have had a profound influence upon the British Empire that for a long period maintained her position as the leading commercial nation of the globe. But free trade is not desirable from the standpoint of the citizenship of a country that enjoys the highest wages and the highest standard of living of any country in the world. Free trade is not desirable or practical unless wages and the standard of living are on a par with the nations engaging in such an understanding. It would be commercial and industrial suicide for this country to open wide its gates and permit the products of cheap foreign labor to flood our markets. So I have chosen a middle path that lies between the commercial isolation advocated by the high-tariff extremists on one side and the tariff for revenue only and free trade on the other.

Neither is it desirable for our Nation to adopt an extremely high tariff policy and follow it to the conclusion of national isolation. Such a course is possible, but it would result in unsound economy and would detract from our national prosperity and not inure to our individual welfare. This country is a great consumer of coffee, tea, sugar, silk, rubber, and other products that can be produced more cheaply abroad and can, by reciprocal treaties, open corresponding markets for our surplus products. It is a well-worn economic axiom, but its truth is generally accepted, that if we sell to other countries, we must buy; and if we buy from them, we must sell. Since the fruit, cotton, and wheat growers of our country produce a large surplus of these products, it follows that it is a sound policy to develop a market for these products. The same is true of many of our industries. The Orient particularly, as well as Latin-America, affords a splendid market for our automobiles and trucks, for our typewriters, motion pictures, and many other

devices peculiar to American industry. While visiting Japanese cities, I was much interested in the information that the old-fashioned ricksha was being superseded by a modern rubber-tired one manufactured largely by a bicycle factory in New England.

To exchange our surplus fruit, wine, cotton, and wheat, oils and manufactured products for the coffee, tea, silk, sugar, rubber, and rope upon a reciprocal basis is fair trade profitable to both parties and of no injury to either. By this policy of reciprocity or fair trade we avoid the dangerous competition of free trade and low tariffs and we avoid the isolation and the unsound economy of extreme tariffs. Fair trade enables us to exchange our surplus products for those articles of commerce that we desire and does not require a drastic change in our economic set-up. The sudden raising or lowering of tariff rates is of such far-reaching effect that it is unsatisfactory to the manufacturer and the producer and may prove disastrous to the wage earner. But by reciprocal treaties these disastrous eruptions of commerce and industry produced by sudden tariff changes may be avoided.

Tariff legislation is necessarily difficult. Tariffs beneficial to one section may be disadvantageous to another. Each industry demands benefits for itself and battles to protect the special favors it is able to exact for its own enrichment. The shoe manufacturer desires a tariff on his finished product and is just as eager for free hides and reluctantly yields to the requests of the cattle industry for protection. Many other industries are in the same category. The wheat and cotton growers that sell their surpluses in the markets of the world clamor to buy in the world market.

In California we have vivid examples of the inconsistencies of the tariff system. Fish canners receive a niggardly tariff protection, while the fishermen are left with the forgotten men. The citrus growers have obtained generous protection but are unwilling to give the same consideration to the fish industry which produces fishmeal used for the fertilization of the citrus orchard. And so, from the first schedule to the last, a tariff revision up or down is a conflict of section against section, industry against industry, and those with the strongest political alliances, and perhaps have made the largest campaign contributions, usually win the war. Napoleon is recorded as saying that God was on the side of the heaviest artillery. In a tariff battle, destiny appears to favor those who have made the heaviest campaign contributions.

I cannot concur with my Republican colleagues that advocate higher tariffs and ultimate isolation as a panacea for all our ills. I feel some surprise and chagrin that some of the able Members of this House base their opinions upon such an unsound objective. High tariffs have too often been used as an instrument of special privilege and have been attained by loudly proclaiming generalities that appeal to the wage earner and the farmer, while the profits and benefits have been pocketed by the privileged few. It reminds me of a story of a shrewd friend in California who relates with gusto of the pool formed in California some years ago to buy grain sacks from the Orient and, by securing pledges from a successful Republican candidate for President, obtained a considerable tariff on said sacks and reaped a handsome fortune by their political ingenuity with no thought of developing a home industry. Such practices, I am informed, are not infrequent when tariff changes are contemplated.

California and the Pacific coast occupy a strategic location in regard to the trade of the Orient. The commerce of the Pacific and the industries of the Pacific Coast States have a splendid future with the encouragement of reciprocal treaties by the Government at Washington. With numerous rivers rushing from the mountains to the sea, an abundance of cheap electrical power is conducive to light manufacturing. With abundant supplies of timber, petroleum, copper, and other minerals, along with the products of the factory, the farm, the vineyard, and the orchard, the industrial and commercial development of the Pacific coast is but in its infancy.

Japan is now one of the important markets of America. China, too, is important but is now but a fraction of its possibilities as compared to the time when that unfortunate nation is able to establish a stable and a progressive government. China, in the near future, no doubt, will afford a great market for steel, timber, and equipment for her program of building railroads throughout the Republic. Her proposed highway system will demand materials and afford a great market for automobiles and supplies. Her cities and her modern homes, now developing, demand the comforts of electric lighting and modern appliances and will soon displace the kerosene lamp, which is to a considerable degree yet prevalent in China.

Siberia, the Russian door on the Pacific, affords another opportunity for American foreign trade in which the Pacific States will largely participate. Transportation costs from Pacific ports to Siberia are much less than from the heart of the Russian industrial sections which must use the more expensive railway transportation. The Philippines have already developed into an important customer which we trust will not be destroyed by the recent and ill-timed legislation. The Malay States are important consumers of California canned sardines. California fruits and milk products are finding a welcome in the markets of the Orient and these possibilities are beyond reckoning. Our products are sought in the East Indies as well as in the South Sea Islands, New Zealand, and Australia. The commerce of southern California is healthily increasing with Mexico, the nations of Central and South America.

Some Members from California feel a solicitude as to the effect reciprocity will have on the industries of southern California, particularly on the horticultural products, including the citrus products. This is a highly developed industry in southern California and its welfare has a marked influence upon our prosperity. The citrus industry represents a large investment and an intensive cultivation not equaled in the United States, and is a very important factor in our commerce, employment, and transportation. It has been the recipient of a reasonable tariff, but in return it has made available to the people of America the finest citrus products in the world.

Judging by the recent response of President Roosevelt to the appeals of the fishing industry in southern California, my section of California has an assurance that the President will use his powers under the proposed bill wisely and that his purpose is to build up markets and not destroy them. In this connection I desire to call the attention of the House to the bill, H.R. 7651, which I introduced on February 5, 1934, providing for the protection of the southern California fishing industry against the deadly competition of Japan. It is so patent that an American industry paying American wages cannot compete with the extremely low wages and the starvation standard of living of Japan that it seems needless to offer an argument. The American fisherman has no protection whatever against the frozen fish imported from that country.

Because of the heavy depreciation of the money in Japan the inadequate protective tariff designed to protect the tuna industry of California has been nullified to a great extent. At the present value of American money the yen shows a value of about 30 cents compared with its normal value of 50 cents. The average wages paid by the Japanese tuna industry is reputed to be but 33 cents for a day of from 12 to 15 hours compared with a daily wage of $3 per day in the California industry for a day of 8 hours. According to this schedule, the Japanese pay less than 3 cents per hour as against 37½ cents paid by the American industry, or more than 12 times as much. Therefore, a 30-percent tariff, based on Japanese cost of production, is wholly inadequate. The additional 15 percent added by the Tariff Commission and President Roosevelt is clearly insufficient. Comparing wages, 1,000 percent is more equitable. To open the gates of competition to the scale of wages as paid in Japan can have but one result—the complete ruin of the American industry.

From a political standpoint, California reactionary Representatives in Congress in years past have followed too blindly the tariff policies designed to profit the industries of New England and the eastern section of the country. California

Congressmen have helped prepare the tariff feast and have accepted the crumbs from the table. The late Smoot-Hawley tariff bill increased the tariff schedules designed to benefit other sections and, at the same time, omitted a tariff on petroleum. Thus the products of Mexico and South America were brought in direct competition with the product of the leading industry of California—oil—and practically drove California oil from the markets of the Atlantic seaboard. This was a terrific blow to a State which so many years supported a high-tariff policy for other sections of the country and received so little or no consideration for itself.

With all its inequalities, its discriminations, its unfairness, it would be inadvisable to undertake a revision of all tariff schedules at the present time. Depreciated currencies, the economic paralysis of the world, the tariff wars of nation against nation, the comprehensive recovery plan inaugurated in our own country, the new codes of hours and wages—all counsel against throwing down the bars and permitting a flood upon our already-stagnant markets. But there is one path of procedure that can be safely followed for the restoration of our foreign commerce. Let us declare for reciprocity and for fair trade, heeding the requirements of industry at home and promoting such commerce abroad that will permit us to export and to receive those articles of consumption that will bring comfort to ourselves and equivalent benefits to those with whom we trade. Let us avoid the restrictions of isolation of extreme high tariffs and let us beware of the pitfalls of free trade and ruinous competition and devote ourselves to a profitable course of fair trade.

We all deprecate the tariff wars of nation against nation which have shut us from many profitable markets and left our own surpluses to rot and rust upon our shores. We have seen nation retaliate against nation and too often we have seen these impassable bulwarks erected against the products of our own land. We have seen our leading industries build thousands of branches behind these retaliatory walls, depriving our own factories and our own workmen of employment that rightfully belonged to them. But we ourselves in the Smoot-Hawley Tariff Act were among the first to erect barriers against the nations of the world and thereby invited their disastrous retaliation. Let us undo our folly by the sane policy of reciprocity and fair trade.

It is opportune now, since California and the Pacific Coast States have overthrown the reactionary political oligarchy of the past, to insist in sharing the benefits of a new deal in the structure of tariffs, and to deprive some of the benefits we have given and from which we have received such a meager portion for ourselves. Instead of mere followers in the dust of a discounted and discredited tariff system of isolation, let us embark upon a new policy designed to promote our trade and commerce with the Orient and Latin America, where the beacon of opportunity invites us; with the Orient, where half of the world dwells in need of food, clothing, and shelter. Where hungry mouths will consume our wheat. Where the needs of cotton have never been supplied. Where a thousand of our products will be readily welcomed. Not only the Orient but with the isles of the far southwest and Australia. And with Latin America, where new nations await with new opportunities and afford new markets. Instead of supporting tariffs that enrich others, let us of the Pacific coast look to ourselves and to the opportunities that are afforded by giving our united support to the President's program for reciprocal and fair trade, to a new deal in foreign trade, in which the States facing the Pacific may profitably participate. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman and members of the Committee, I am for this reciprocal tariff bill because it is an essential plank in our platform. As a Democrat I have faithfully followed the platform principles. For that reason I am going to vote for this bill.

I am pleased to see in the gallery the high type of representative American citizens in the young men students who are here, no doubt, to observe and gain experience as they later enter the contest of life. Practically all my votes as a Member of Congress have been in their interest—not in the interest of international bankers, who are so well represented on the Republican side.

Mr. KNUTSON. Will the gentleman yield?

Mr. HOEPPEL. In a moment. I have full confidence in the President that he will administer the act in the interest of the American people.

I notice that few Republican Members only are now on the floor. It is possible that those individuals who represent the super "brain trust" of America are on the Senate side of the Capitol, hoping and praying that the President's veto may be overridden.

I have found it to be a consistent feature of Republican Representatives to endeavor at all times to impede any measure which the Democrats bring on the floor.

Mr. TREADWAY. Mr. Chairman, I make the point of order that the rule provides that the gentleman's remarks shall be confined to the bill. I make the point of order that the gentleman is not speaking to the measure before the House.

Mr. KNUTSON. This is the first time the gentleman from California has not been with the Republicans.

The CHAIRMAN (Mr. UMSTEAD). The point of order is sustained, and the gentleman will confine his remarks to the bill.

Mr. HOEPPEL. I should like to call attention to the fact that the gentleman from Massachusetts has voted consistently against——

Mr. TREADWAY. Mr. Chairman, I again make the point of order that the gentleman is not speaking to the measure before the House.

Mr. HOEPPEL. I did not mention the gentleman's name.

Mr. TREADWAY. I know who the gentleman referred to, and I am going to continue to call him down.

The CHAIRMAN. The gentleman from California must confine his remarks to the bill.

Mr. HOEPPEL. I am speaking in opposition to the Republican "brain trust." I call attention to the fact that in 1926 before we had a high tariff there was imported into America 74,000,000 pounds of lemons. We received $2.81 per box then for our local California lemons. After the high tariff was enacted in 1930 the price of our lemons decreased to $2.10 per box. We imported 30,000,000 of egg products in 1926 and received 31.1 cents per dozen for our California eggs. In 1932 we imported only 2,660,000 pounds and received only 17.2 cents per dozen for our eggs. Our importations were 1,300 percent less in 1932 than in 1926.

Mr. KNUTSON. How could it decrease 1,300 percent——

Mr. COOPER of Tennessee. Mr. Chairman, I make the point of order that the gentleman from California [Mr. HOEPPEL] has not yielded.

The CHAIRMAN. The point of order is sustained.

Mr. HOEPPEL. Perhaps I should have said our importation of egg products were 1,300 percent more in 1926 than in 1932.

In 1926 the United States imported 49,000,000 pounds of walnuts, while our walnut growers in California received $480 per ton for their walnuts. As soon as the Republicans put on a high protective tariff the price of walnuts dropped to $240 a ton, exactly one half, notwithstanding the fact that we imported only one quarter as much. I should like the Representatives on the Republican side to explain why with a high tariff the price of our products has decreased, notwithstanding the fact that importation has decreased. I should like to have the gentleman from Massachusetts [Mr. TREADWAY] answer that. I should like also to have the gentleman answer this. During the Hoover regime the deposits in our banks in 1928 were $58,000,000,000, and we had approximately 26,000 banks. At the end of the Hoover regime we had deposits of 45 billions of dollars in our banks and 7,050 banks had failed during his regime.

Mr. TREADWAY. Mr. Chairman, I make the point of order that the gentleman is not speaking to the bill before the House.

The CHAIRMAN. The gentleman from California will proceed in order.

Mr. HOEPPEL. I am proceeding in order.

Mr. TREADWAY. I beg the gentleman's pardon. He is not proceeding in order, and I appeal to the decision of the Chair.

The CHAIRMAN. The Chair rules that at that time the gentleman was in order. The gentleman from California will proceed in order.

Mr. HOEPPEL. Mr. Chairman, I make the observation that if I was talking here for the Wall Street interests, I would be in order.

Mr. TREADWAY. I again protest that the gentleman is not proceeding in order.

The CHAIRMAN. The point of order is sustained. The gentleman was not in order.

Mr. TREADWAY. The gentleman's remarks should be stricken from the RECORD.

Mr. HOEPPEL. They shall not be stricken from the RECORD.

Mr. TREADWAY. I make the point of order that they must be, if the gentleman is going to get so uppish about it.

Mr. HOEPPEL. I call the Republican Members' attention to the fact that the price of our commodities in America is not determined by the tariff, but is determined by the amount of currency in circulation and credit expansion. What have you Republicans done? You have taken credit from the people and frozen their deposits in the myriad of failed banks.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 2 minutes more to the gentleman from California.

Mr. HOEPPEL. I am afraid that I cannot explain sufficiently my disagreement with the Republicans of this House when they assail a meritorious practical measure such as we now have before us.

"Constitutional government", is all that I have heard from the Republican side. Every time we Democrats launch a constructive, progressive provision looking toward national recovery and put it into the stream of recovery, if it is worth while the Republicans take a pike hook and try to snag it. The gentleman who has been opposing me, with many of his Republican colleagues, voted for every measure in favor of the bankers during this session of Congress, and now he is attempting to prevent me from reciting true facts regarding Republican opposition to reciprocal tariff agreements.

Mr. TREADWAY. I again make the point of order that the gentleman is not in order.

Mr. FULLER. Oh, I think the gentleman is in order. Finances and the tariff are mixed together, plainly.

Mr. HOEPPEL. Every time we bring something forward that is progressive, such as gold devaluation and this reciprocal tariff provision, the Republican Members, acting under the stimulus of some "superbrain trust", take out their pike hooks and endeavor to extract it from the recovery stream. They appear to be more concerned in playing politics than in bringing recovery to the American people.

When we advance something here which is progressive, something which is in the interest of the whole people and not in the interest of the banking fraternity of Wall Street, we find Republican reactionaries opposing our efforts. There are many liberal-minded Republicans in this House but, unfortunately, they are outbalanced by the reactionary, archaic group who believe or, at least, act as though the only reason this Government exists is to pay homage to entrenched wealth and special privilege. These reactionaries are out of step and sympathy with the best interests of the people, and they cannot rescue themselves by seeking to play politics with administration measures of recognized merit such as this and which are for the benefit of the whole American people—a universally recognized need in this period of our economic existence.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, I was almost moved to tears when I sat here and listened to the distinguished gentleman from Pennsylvania [Mr. FOCHT] ask for sympathy and help for the infant industry in swaddling clothes. Lo and behold, we removed the swaddling clothes from the infant, and we found a full-grown man with long whiskers; and yet for him he sought further protection of a high tariff. [Laughter and applause.]

I am in favor of the passage of the bill now before us—the enactment of which will provide for an increase of foreign markets for the products of the United States. It will also increase the purchasing power of the American public in the present emergency, and will help to maintain a better relationship among the various branches of American agriculture, industry, mining, and commerce.

I favor the passage of this bill because I have faith and confidence in the sterling leadership of America's spokesman, Franklin Delano Roosevelt. My mind goes back to the ides of March 1933, when our Ship of State was wallowing in the throes of the worst economic storm that our country has ever known. The ship was sinking, the commander and crew were terror stricken, all hope had been abandoned and in fear and trepidation they awaited the end. In this dark hour the pilot boat hove in sight, and a new skipper and crew boarded the vessel. Almost immediately, under the guiding hands of the new commander and his crew, the Ship of State was successfully piloted to a safe anchorage.

Our countrymen who had been plunged into gloom and despair saw a new light shine on the horizon. Banks that were ready to close their doors were rehabilitated. Citizens' conservation camps were established, taking care of hundreds of thousands of young men. Additional moneys were brought into the Treasury through the repeal of prohibition. Through the passage of the National Recovery Act many millions are now working. The extensive Public Works program throughout the Nation has provided work and sustenance for millions of families. Through the enactment of the Home Loan Act, peace and security have been brought to the small-home owner throughout the Nation. The security of bank deposits has been guaranteed through the passage of proper legislation. Relief has been given to the farmers of our country. Loans to all kinds of projects have been made that would tend to put the Nation back on the path of a new prosperity.

All these things were done in order to bring these most desired results. This accomplishment has been termed the "new deal." I am in favor of adding a new plank to the new deal—that of empowering the President to make reciprocal trade agreements. I am not fearful that the President will misuse this power. I am not afraid that he will not have at heart the ultimate good of the people of the land. I trust him, because he has steered the ship straight, and I feel the ultimate accomplishments of his efforts will lead to a new and prosperous era for our beloved land.

In the past I have criticized some acts of Republican Presidents of these United States, but in no instance has my criticism been a captious one. My criticism was always uttered in a fair and dignified manner, due to the respect I had for their high office and for the orderly procedure of this House.

I have never so far forgotten myself as to accuse any of our Presidents of being guilty of legalized murder.

I am mindful of the multitude of difficulties, cares, and responsibilities pertinent to their high office, and I have always given them credit for the average performance of their duties. None of us would care to be judged by a few events in our lives; we would much prefer to have our average performance considered.

In reading the testimony taken before the Ways and Means Committee, we find foremost leaders of industry favoring the granting of this power to the President. The President himself in his message to Congress states:

The exercise of the authority which I propose must be carefully weighed in light of the latest information so as to give assurance that no sound and important American interests will be injuriously disturbed. The adjustment of our foreign trade relations must rest on the promise of undertaking to benefit and not injure such interests. In times of difficulty and unemployment such as this the highest consideration of the position of the different branches of American production is required.

In the light of all these statements, and of the knowledge that the act for reciprocal trade agreements is but another plank in the new deal for the recovery of the Republic, I shall stand with the President and do all that I can to help the return of prosperity to our land. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I shall vote for H.R. 8687, which gives the President the power to enter into reciprocal trade agreements with foreign countries, authorizing him to reduce or raise tariff duties 50 percent by Executive order. My reasons for this grant of power are as follows:

IT WILL INCREASE FOREIGN TRADE

First. I believe there is still a chance to secure for this country a reasonable share of the world's trade. I want to try to secure it. It will not come to us without the understanding and continual readjustments possible under this bill.

Second. I dread to see the day come when this country sets its face solidly against exchange with other nations and fixes its course absolutely toward nationalism.

Third. I am for the bill because I stand for a planned middle course between economic nationalism and internationalism. It will be most difficult to steer this course, but it must be done for our own prosperity as well as for the world's peace and happiness.

Fourth. I am firmly convinced that the nationalistic spirit so prevalent in the world today will inevitably lead to distrust, to hatred, and finally to war. World trade relations have, from the most ancient times, brought about cultural contacts and relationships which have made for the progress we call civilization. This process must be continued or retrogression will be inevitable. Trade between nations leads toward peace and toward mutual understanding which is the greatest preventive of war. Isolation is not an insurance against political world entanglements and trade alliances do most emphatically insure against war. I am for this bill because I am against war.

Fifth. I know full well that we cannot tear down all tariff walls and admit, free of duty, all the products of the pauperized labor of Asia and Europe. We must maintain and guarantee that which we have temporarily lost through greed among our own people—the universally high standard of living in America. Nevertheless there are plenty of people in the world, beside ourselves, who could and would use our surplus wheat, fruit, and cotton. This bill will give to the executive branch of our Government the right and power to act expeditiously to close the trade bargains with other nations without bringing them back to this slow-moving, much-talking Congress.

Sixth. I am for the bill for the reason that I do not want to see weeds grow on almost one half of the acres now devoted to cotton, and one fifth of the acres devoted to wheat abandoned. I do not want to see the apple, pear, and cherry orchards of the Northwest, with their perfect fruits, destroyed. I believe our President can find countries which will take our useful products and give us in exchange those commodities that we cannot produce to advantage. In the Pacific Northwest two thirds of all our wheat and fruit must find a market outside of our own wheat- and fruit-producing States. I have said that under present world conditions a sufficient foreign market for our agricultural surplus is an iridescent dream. That is true. This bill affords the opportunity to change those conditions. The alternative to world trade is a hideous thing and startles one who envisions a future of idle hands, idle people, checked ambition, and destroyed initiative.

Seventh. I would go further than this bill and say to those countries that now have the right to send their goods into this country free of duty, "We will no longer take your coffee, your tea, nor your raw silk unless you take in exchange a quantity of our agricultural surplus equal in value to that which you sell us."

Eighth. The knowledge that our exports have fallen in 5 years to less than one third of what they were in 1929 unquestionably warns us that drastic action must be taken at once if we are to remain a trading and a prosperous Nation.

Ninth. We have seven millions of our population directly engaged in foreign business and shipping. They must find places in other already overcrowded occupations if we retire permanently from foreign trade.

Tenth. I am for this bill because we must act quickly. Investigation and agreements will, of necessity, be conducted without publicity when they are the task of the executive department and not of the deliberative, legislative department of our Government.

Eleventh. I am for the bill because 48 other countries have invested similar power in their executives. We must be ready and able to meet them in the field of barter and trade. I repeat, it can be done only by the Executive. Congress would spend days, weeks, or months debating proposed agreements while other nations, with more quickly responsive systems, would take advantage of the commercial openings we would lose.

Twelfth. I have listened with interest to the arguments on constitutionality and have been convinced that our Constitution is sufficiently flexible to give us the right and the power to act as wisdom dictates for our own social welfare and our economic self-preservation. There would be no question of the constitutionality of this act in time of war. The condition today is vastly more dangerous than threat of foreign war.

Thirteenth. I believe the President can safely be entrusted with this very extraordinary power.

DISPOSAL OF AGRICULTURAL SURPLUS

The administration is striking at the so-called "agricultural surplus" from two directions; first, reduced acreage; second, increased purchasing power among the people. Now, it is our privilege and duty to give to the President another and most valuable power to reduce this troublesome surplus by trading with other nations which are short on foodstuffs but have something we desire, to give us in return.

Even though it be the economic policy of the new deal to seek to increase consumption, we can never absorb our entire output of wheat and cotton, if we produce to capacity. We must trade them for something that we want which we do not produce at all or not in quantity.

It will cost the Agricultural Adjustment fund almost $8,000,000 to take our surplus wheat for 1933 out of the Pacific Northwest. Should we have the crop during 1934 that now appears possible, with a surplus of 60,000,000 bushels, the cost to the Adjustment fund may be as much as $20,000,000 for the coming year. Already we hear bitter criticism from the Gulf and Atlantic wheat dealers who have found our wheat from the Pacific Northwest further depressing prices in their markets. How much better it will be when our President can say to China, "We will take so much of your tea for a stated amount of our wheat from the Pacific Northwest." The same can be said to Brazil for a certain quantity of coffee.

HOME PRICES FOR SURPLUS CROPS FIXED BY FOREIGN MARKETS

It is true that 90 percent of our total products from farm and factory are consumed in this country, but the price of that 90 percent, which spells disaster or success to farm and factory owner, is fixed by laws of trade, at the price paid for the surplus in the foreign country. That is the condition we seek to cure by this bill. We are importers of wool; hence the tariff duties keep out the cheap wool from South America and wool growers are, even today, receiving a fair price for that farm product. We raise 20 percent more wheat than we can consume. Had we, the wheat growers, been obliged to sell that excess in foreign markets, at world prices without Government interference, then wheat would be selling in Chicago today for 50 cents a bushel, and the wheat growers of Oregon would today be receiving at the

delivery station not over 20 cents a bushel. These wheat farmers should ever remember that the Roosevelt administration gave us the voluntary allotment plan for farm relief and removed our surplus from the Pacific Northwest at the cost of millions. By Government action the price received by the growers of wheat has been and is today double what it would be had it not been for Roosevelt and his administration. In the face of what he has done we can certainly trust him with all the authority this bill gives him to enter into reciprocal trade agreements with other countries.

FOREIGN TRADE OUR ONLY HOPE

For more than a half century wheat has poured in an unbroken golden stream out of the Pacific Northwest, first in vessels around the Horn and then by way of the Canal, into the ports of northwestern Europe, where it found a ready market because we were buying goods freely from those nations. Before the World War we were a debtor nation with an annual outgo for interest of $200,000,000. Now we are a creditor nation with nations owing us $500,000,000 annually for interest alone. Is it any wonder they have repudiated? We refuse their goods in payment and they have not the gold. Now, the only way to do business with those nations is by reciprocal trade agreements. Our hope, and our only one, lies in revival of foreign trade. Two thirds of the world's shipping is now tied up at docks and wharves and no longer sailing the Seven Seas. Every major nation of the globe is striving to be economically self-contained, at the same time increasing armies and armaments in a furious race for equality or superiority. This can lead only to one fatal catastrophe—another world war—which may fatally wound and wreck our civilization and all the accumulated wisdom and culture of the ages. How can we contemplate this destruction of our international amity without resolving to act quickly and effectively to reestablish the status of our most favored and most happy period of friendly and mutually profitable intercourse?

NATIONALISM

Our Republican friends across the aisle, by refusing to support this bill, point the way toward excessive nationalism. Should America be forced to go all the road and actually become self-contained, there must follow compulsory control of all marketing with licensing of plowed-land quotas and with Government control of surpluses. What? Make a public utility out of agriculture, subjecting it to the same control? Perhaps so. Our emergency legislation has been admittedly experimental. The depression has sent us a long, long way down the dark road and we really do not know where we are going; we are just feeling our way. I know all the world is moving toward nationalism. The only hope of escape is the passing of bills like this. America can, and must, exert a vast world influence toward a better world atmosphere, where the arts of peace and not the acts of war shall be taught and practiced.

I know full well that modern machinery has tended to make manufactured products in every country very much alike. American-made shoe machines make it possible for Czechoslovakia to drive North American made shoes out of South America. American machines in China and Japan are making it extremely difficult for the cotton and woolen mills of New England to hold their own in the markets of the world. But, machines do not wipe out all national differences in ability and genius. Ever since Thomas Jefferson formulated the Declaration of Independence and abolished the law of primogeniture, which gave all to the eldest son, America has pointed the way toward a fairer social order for the common man—a juster government, more equal opportunity, a greater freedom. After setting the pace, leading the world for a century and a half, are we now to close our ports, slow down our factories, allow our fields to lie idle? Shall we say to the cotton men of the Southland, "Yes, formerly one half of your cotton was sold in foreign ports; it cannot be so now, and half your acres must grow weeds"? Are we, as a nation, to say to the wheat farmers of my State, Oregon, "Yes, one half of all your wheat has in former years been sold in foreign markets; but we are now a self-contained Nation, and one half your wheat acreage must lie fallow"? That is not the spirit that made America great, the spirit of '76, or the spirit of our boys in the Argonne Woods. The American Revolution made possible the French Revolution, and the French Revolution made possible the English industrial revolution. As we have led in free government, so we have led in agriculture and in industry. Shall we now renounce that leadership?

It is certainly an anomaly that nations, which have for three centuries sailed the seas and now span them with lines of floating palaces in safe and speedy travel; nations which, through the genius of man, find it possible to talk or to fly across the rolling waves; should erect barriers against trade. It is a tragedy for such nations to allow their selfish fears so to control them that they embark on the road toward national isolation, which means ultimate ruin for them all. This bill will put into the hands of the President the power to break the evil spell under which we go astray; power to create a more wholesome world feeling; safer world relations.

MODERN SOCIAL FORCES DEVELOPED

About a century and a half ago three great social movements or trends became apparent and began to grow: First, government by representation; second, modern capitalism; third, the spirit of nationalism.

Quite well do I know there has been so-called "republics" before ours, and that the foundation blocks were hewn out in England centuries ago for the structure of free representative government, but in America was the first real attempt at government of the people in the interests of the people. Our national growth, strength, and power will remain the marvel of all the ages. We have made and produced everything that man wants and desires in such profusion and quantity that warehouses and granaries are bursting with their overabundance. On the other hand, our prosperity is so ill-adjusted that only a comparatively few can enjoy this abundance. The free Government of America and its creative, independent spirit have provided an abundance, but there has been the tragic and ugly failure to divide, with any degree of equity, the rewards of human toil. Our representative government has been betrayed by powerful groups created by special privilege.

Developing and growing along with our new country has come capitalism based on profits, interest, and dividends. Capitalism has been largely responsible for our excessive and callous individualism. The inventor has been rewarded and encouraged until he has filled the world with machines which would today make this earth a paradise for millions, provided they were used for the benefit of all, instead of being made the tools for enslaving men for the benefit of the selfish, greedy owners. As America has proved both her worth and her unworthiness, so has capitalism ripened and matured until capitalistic society has brought bitterness into the minds and hearts of the masses.

As free representative government and capitalistic society have developed, flowered, and borne fruit, the spirit of nationalism has traced the same line of growth and borne the same bitter fruits. Love of home and native heath have been extant from the beginning of civilization, but intense, inbred nationalism has come since the boys of the Gironde commenced to sing the Marseillaise during the French Revolution, and the conscript armies of Napoleon's time commenced their marches into the capitals of Europe. Since the great World War, in which all nations were engulfed without comprehension, then or now, of the reasons impelling to the massacre, this spirit has been intensified by fear, propaganda, and calculated greed, and now the appeal comes to us to yield once more to this destructive menace.

These three major social, political, and economic movements, starting at about the same time, developing through the same century and a half, and flowering in our time, have, through misdirection of their finest qualities been bred to produce chaos and despair. What wrecked these forces which might have been beneficent? Our representative government suffers from the domination of the great financial interests which have led to corruption and distrust. Nationalism has been perverted by war profiteers. The

capitalistic system has been made repulsive by greedy demands for excessive interest for the use of money. Representative government, nationalism, capitalism—all must be rescued from the domineering greed which has been willing to wreck them to build fortunes. Let us preserve them and use them for the common good. We have come to the crossroads. The way is plain.

THE CHALLENGE TO AMERICA

But yet, what a challenge to those who understand the forces of nature and man, and have the will to convert these movements into factors for social betterment. The talk of return to normalcy and of rugged individualism is idle and irresponsible. We can never go back to those happy days, those pioneer days of fertile, unbroken acres freely given by a generous government, to days of westward treks, of mining booms, and cities springing up as if by magic. However, American ability and genius, which has solved every difficulty from Puritan and Cavalier days, can find a solution for our problems of adjustment and readjustment. A jobless, hungry, ragged, discouraged world of millions extends begging hands asking for a chance to labor, to eat, and to wear.

Constitutionality of the proposed law does not worry me as much as do these hungry millions. They beg of us that we grant opportunity to live securely; but they know, and we know, that the powers which control their fates and their futures are not here on this floor where they should be. Is it not even possible to give insight and understanding to those who control our financial destinies so they may understand that their own safety depends on a planned economic life which will guarantee jobs and give security in them through social insurance? Can they not be made to understand that youth, sickness, and old age must be cared for in a decently ordered society? Cannot those powerful ones who control nations see that another world war may end all and send us back into days like those that followed the moving of the Roman capital from the Tiber? Cannot those who control be brought to understand that excessive nationalism is sure to ripen into hatred, distrust, clashing of interests, and finally war? Cannot those who control see that enormous interest and dividends cannot be paid and must lead to repudiation? Can they not comprehend the fact that nations can be mutually tolerant and helpful only when they trade and traffic freely among themselves? Why not make all our international dealings just and natural, and break down barriers erected by greed and privilege and tradition? This bill is an attempt to simplify and to speed international trade agreements. It is an aid to and a part of the new deal.

Why are we so helpless in the face of greed and injustice? Why not recapture our Government from these evil forces, which exert such undue influence, and which through wealth and position gained by special economic privileges wield political power? That recapture is also part of our new deal.

Mr. COOPER of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. TERRELL].

Mr. TERRELL of Texas. Mr. Chairman, men may come and men may go, but taxes go on forever; and taxes or tariffs are the controversial issues in this bill.

In levying taxes or delegating authority it depends very largely upon whose ox is gored as to what position men will take on the question. This has been true throughout the ages. It has been shown from the RECORD that Members on both sides of the House have changed their minds on the gag rule and the delegation of authority.

I should like to be consistent, and have tried to be, but this is impossible at times, especially when one's position is based upon constitutional objections, and the Supreme Court comes along and knocks his preconceived opinions higher than a kite.

I am not a constitutional lawyer, but am a plain cornfield lawyer, and my opinions carry no weight, while the opinions of the Court carry all weight and are final. I am frank to say that had it not been for the decision of the Supreme Court rendered by Chief Justice Taft on the Tariff Act of 1922, and some earlier opinions on very similar cases, I would vote against this bill, but we must take these decisions as the last word on the construction of the Constitution.

In regard to H.R. 8687, now under consideration, will say that its purpose is very similar to the act of 1922 and other acts which sought to confer upon the Chief Executive certain authority in carrying out the expressed will of Congress, which acts have been upheld by the courts from Washington's administration to the present time.

As said by President Cleveland, "we are confronted with a condition and not a theory." This condition is so apparent that the man who runs may read.

It is the loss of world trade, and some means must be found to restore that trade to take care of our surplus products before prosperity can be restored. I do not share the expressed opinion that this trade is forever lost and is not worth consideration. It is still evident that the people of the world must eat and wear clothes, and when they cannot produce this food and clothing they must buy them from some other country; and I want my country to have an even break in supplying these products, and we do not now have that opportunity because of trade barriers erected against us because of our prohibitive tariff walls erected against their products for the protection of certain industries in this country.

I would not under any circumstances strike down our tariff laws and cripple industry, but industry has already been crippled by its own folly in stopping almost entirely the importation of foreign products into this country; and this has cut off the markets of other countries for the products of our farms and factories because it is a self-evident fact that unless other countries can sell us they cannot buy from us. No one will deny this axiomatic statement. These highly protected industries, like Samson of old, have actually pulled the house down upon themselves.

The preamble of this bill, which I will not repeat here, sets out very clearly the purposes of this bill, and then authorizes the President in paragraph (2)—

> To proclaim such modifications of existing duties and other import restrictions or such additional import restrictions or for such continuance, and for such minimum periods of existing customs of excise treatment of any article covered by foreign-trade agreements, as are required or are appropriated to carry out any foreign trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists.

This is practically the same language as found in the Tariff Act of 1922 and other similar acts, except that it does not require the Tariff Commission to find the difference between the cost of producing the articles in this country and in foreign countries, but said act is still on the statutes and can be used in finding the difference in cost.

The President will doubtless avail himself of all the information necessary before raising or lowering any rate of duty, and I would be willing to amend the bill by adding the following:

> In performing the duties herein conferred the President may call upon the Tariff Commission, the Ambassadors, and consuls in foreign countries, and any other agencies of the Government to furnish such information as they can secure in regard to the justness and fairness of existing rates of duty and the desirability of raising or lowering such rates of duty and entering into reciprocal trade relations with foreign countries in order to increase our foreign trade.

This would be merely persuasive, as the President already has this authority.

The President has the authority now to raise or lower tariff rates, and if this is construed as levying a tax the court has settled the matter in favor of the statute in the opinion rendered by Chief Justice Taft in the case of Hampton against United States. I quote briefly:

> If it is thought wise to vary the custom duties according to changing conditions of production at home and abroad, Congress may authorize the Chief Executive to carry out this purpose, with

the assistance of the Tariff Commission, appointed under congressional authority. This conclusion is amply sustained by a case in which there was no advisory commission furnished the President—a case to which this Court gave fullest consideration nearly 40 years ago.

This was the case of Field against Clark, in which the reciprocal trade provisions of the act of 1890 were under attack, in which the President was authorized to actually take articles from the free list and place them upon the dutiable list and authorize customs officers to collect the duties. This is a broader power than is conferred by this act, and it was held to be legal.

In the discussion of this case it was contended that this section delegated to the President both legislative and treaty-making powers and was unconstitutional. After an examination of all authorities the Court said:

While Congress cannot delegate legislative power to the President, this act does not in any real sense invest the President with power of legislation.

I shall have to yield my preconceived judgment in these cases to the decision of the Supreme Court, but my distinguished friend from Pennsylvania [Mr. BECK] is not willing to do this, and I have the highest regard for his legal opinion. He must concede, however, that the authority of the Supreme Court is greater than his in construing the constitutionality of acts of Congress.

In regard to the decision on the New York milk case, I share the same views expressed by my friend [Mr. BECK], and in case the Court should uphold the cotton-control act there will remain no more protection for the personal and property rights of the people guaranteed in the Constitution, either in the States or in the Federal Government. It seems that the courts can prove anything by the Constitution, just like the preachers can prove anything by the Bible.

It must be noted, however, that these short-term trade agreements, which can be terminated at any time, are far different from long-term treaties which require Senate concurrence, like the St. Lawrence Waterway Treaty.

As to the great necessity of taking some action to restore our foreign trade, there should be no dissenting opinion; and if a better plan than the one here presented is offered, I would be glad to support it. We are rapidly losing this trade, and unless it can be restored there is no outlet for our surplus farm and factory products, and depression is bound to continue.

Some inducements must be offered to foreign countries to get their trade, and the Dies silver bill that passed the House a few days ago is a gesture in the right direction. It offers a premium of 25 percent in the price of silver in order to induce them to buy our goods, and more than two thirds of the Members of the House voted for it.

We might secure some of this trade by a slight reduction in the tariff rates on some of the articles they desire to exchange for our surplus products, and this might be done without injury to any existing industry.

Congress cannot negotiate these reciprocal trade agreements, and must confer this authority upon some person or upon some board or commission, and I can think of no better authority than the President who will make these negotiations through the Secretary of State, or other existing governmental agencies. There is no time or necessity for approval of these trade agreements by the Senate in view of the urgency of the case, and the decisions of the court.

Without encumbering the RECORD with tables of exports and imports, which are shown in the report accompanying this bill, and some of which have already been placed in the RECORD, I desire to mention only a few instances clearly showing how rapidly our exports have fallen off, causing billions of dollars of losses to the people of this country.

During the year 1920–21 we exported 293,268,000 bushels of wheat, while during the year 1930–31 we exported only 76,216,000 bushels. This is a loss between these 2 years of 217,052,000 bushels, not counting the loss each year as our exports declined, and this applies to the losses in other products. There has been a very rapid decline the last few years, which is partly because of world depression, but not all chargeable to the depression because we have lost a greater percentage of world trade than other competing countries.

Cotton is the great money crop of the South. It has been our boast for many years that our surplus cotton went abroad and brought back hundreds of millions of dollars annually, which constitutes our balance of trade. Cotton has the greatest value of any of our export products, and the market in foreign countries must be kept open for this product or our balance of trade will be permanently lost and the entire country will suffer.

During the years 1926 to 1928, inclusive, we exported 26,511,000 bales of cotton, while during the years 1929 to 1931, inclusive, we exported only 22,158,000, a loss of 4,535,000 bales in these years. Foreign countries consumed from 60 to 70 percent of our cotton before the World War—now they consume about 50 percent of it, and if some of this export trade cannot be regained, the loss will be reflected over the entire country, and it will cause the permanent loss of our export cotton trade and increase production in other countries to supply this loss.

What has been said about cotton and wheat is true as to other export articles, and our entire export trade has been crippled by prohibitive tariff rates which virtually denies countries the opportunity to trade with us.

It has been shown by investigations in the past that certain industries in this country raised the prices of their products in this country as high as the traffic would bear under the prohibitive tariff, and when they accumulated a surplus they shipped their surpluses abroad and sold them in competing markets for half what they sold for in this country, instead of giving the home people the advantage of these reduced prices.

They cannot do this so well now, as the foreign markets are practically closed to their products, and they had to devise another scheme to hold the market in this country, and also sell in foreign countries, so they have erected plants in foreign countries and use cheap labor and compete successfully with local capital in those countries.

Time and space forbid my discussing this phase at length. Suffice to say that within recent years 711 companies from the United States have erected 1,819 plants in foreign countries, with a capital of $2,177,693,244, and employ 450,455 laborers to operate them, instead of investing that money here and employing a half million idle laborers here and paying taxes to this Government. They could have sold the products of their factories in this country without moving to other countries if it were not for our high-tariff barriers that forbid the people of other countries to trade with us on fair terms of exchange.

I want to show you one example of a prohibitive tariff, and there are many.

I am fond of hunting, and I wanted a 3-barrel gun, with 2 shotgun barrels and a rifle barrel—an all-purpose gun. I went to see a German in San Antonio, Tex., who had one of these guns made in Germany. Upon examination of the gun, I liked it very much. The man told me that it cost $35 in Germany, but it would cost $150 delivered here because of the high duty. He bought the gun for his own use, and did not want to sell it to me.

I wrote a sporting-goods firm in New York for prices on these guns, and they said that they did not keep them in stock but could get me one from Germany in about 60 days, and it would cost $150, delivered. I ordered the gun, and it came in about 2 months, and I am well pleased with it, but the price is so high, because of the tariff, that few of them are sold in this country. They should be sold for $50 with a reasonable duty, and a great many people would buy them and the Government would get considerable revenue, while it now gets very little because few people buy the guns.

I do not believe in free trade. It is a beautiful theory but will not work in practice. I believe in a moderate duty fairly well distributed over most all imported articles.

It was said of Hamilton, "He smote the rock of national resources and abundant streams of revenue gushed forth." Tariffs were levied for revenue in those days, and it was

thought that if the tariff were levied for any other purpose it would be illegal.

Robert J. Walk, of Alabama, Secretary of the Treasury under President Polk, was one of the greatest authorities in this country on the tariff, and he was the real author of the Tariff Act of 1846, which produced an era of prosperity throughout the country, lasting until the Civil War in 1861. He laid down certain fundamental rules to guide Congress in adopting tariff laws, but time will not permit a discussion of them, but I will mention a few:

First:

That no more money should be collected than is necessary for the wants of the Government economically administered.

Second:

That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

Third:

That below such rate discriminations may be made, descending in the scale duties, or for imperative reasons the article may be placed on the list of those free from all duty.

Fourth:

That the maximum revenue duty should be imposed on luxuries.

Fifth:

That the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

This plan of levying tariff duties has never been improved upon, but has constantly been violated by discriminations against the South and West and has impoverished those sections for the benefit of the tariff-protected barons.

It is time the tariff should be adjusted to operate equally and fairly throughout the country and give the producers of farm products some of its benefits. It is fundamental that the tariff cannot protect the growers of surplus products that must be sold in a foreign market.

The tariff of 42 cents per bushel helps the wheat grower very little, if any, and a tariff of $5 per pound on cotton would not help the cotton growers.

In order to help the growers of cotton and wheat, the two great export products, we must make trade agreements with the countries that want these products, so they can pay us for our products, and the Congress cannot do that by enacting a tariff law which would apply to all countries, whether they bought our products or not.

We propose, under this bill, to lower our tariff only to those that will lower their embargoes against our products and permit us to exchange our products for theirs—a plan beneficial to both countries, and I believe this will open new fields for the exchange of manufactured products as well as raw products.

My young friend from Nebraska [Mr. CARPENTER] is greatly alarmed for fear Secretary Wallace or Dr. Tugwell will administer this law in the interest of the Cuban sugar-cane growers against the beet-sugar growers in Nebraska. I believe his fears are not well founded, and he has been ably answered by his colleague from Nebraska [Mr. SHALLENBERGER], who is supporting this bill, and is certainly well informed as to the beet-sugar situation in Nebraska, and he does not fear that the President will injure the beet-sugar growers in Nebraska. I agree with Mr. CARPENTER that the cane-sugar and the beet-sugar industries should not be curtailed in their output, but should be allowed to increase their production, because we do not produce half what we consume, and by increasing the production we take cotton land out of production in the South and wheat land out of production in the West, and this is desirable.

Sugar is cheap and I would be willing to raise the tariff to 3 cents per pound in order to increase production. It is the best revenue producer we have and the tariff should not be reduced.

We are closing down oil wells in this country because of overproduction, and I should like to see the tariff raised on petroleum to limit imports, and these propositions should be adjusted for the best interest of our people.

It is not advisable to enact a general tariff law at this session, but after negotiations are had under this bill for reciprocal trade agreements, the President probably can recommend to Congress at its next session what permanent changes should be made in the tariff laws.

This law is temporary and is intended to get quick action before Congress can act on the whole tariff problem, and give us immediate relief in moving our surplus products into the channels of trade, and increase the buying power of the farmer and start the wheels of industry to turning and revive the drooping spirits of idle laborers by giving them a job instead of a dole.

While I am not in favor of cancelation of the foreign debts, which we cannot collect, I would be willing to include in the authority granted the President the scaling of these debts as much as 25 percent on every dollar that foreign countries will spend for our products, in order to still further increase our foreign trade and stimulate recovery. The enactment of this law is pressingly and immediately desirable as a means of stimulating recovery.

In conclusion, permit me to say that from time immemorial the nations that carried on the greatest commercial intercourse with the countries of the world have been the most prosperous nations of the world.

When Rome brought to her capital the wealth of the northern countries conquered by Caesar and her ships were laden with commerce of all countries and all roads led to Rome, she was the proud mistress of the world in wealth, culture, science, and civilization; but when this wealth began to encourage luxury and indolence and dulled the energy and enterprise of her people she lost her trade and commerce and soon ceased to be the proud Empire of the Caesars.

When Spain set her sails to win the commerce of the world, and Columbus discovered the Western Hemisphere, and her bold sailors, Ponce de Leon, Balboa, and Magellan roamed the wilderness of the western world, and Spain reveled in the riches of the Incas and the Montezumas, she became one of the mightiest nations of the earth, but when she lost her foreign trade and her western possessions to England her prestige began to decline and now she is only a third-rate nation.

China, one of the oldest nations of the earth, built a great wall 1,500 miles in length, almost across the continent, to keep her civilization from being contaminated by inferior races, and now she sits alone in darkness refusing to profit by the experience of more enlightened seafaring nations—the easy prey of all aggressive, enterprising, commercial nations.

England, a country less in area than my own State, began to extend her commerce as that of Spain declined, and she has continued to extend that trade with all nations until she became the mistress of the seas, with possessions upon which the sun never sets, and her ships are sailing the seven seas carrying her commerce to all the ports of the world. She brings her gold from South Africa to exchange for grain in the western world to feed her people who work in factories to make the goods that go to the uttermost ends of the earth. This is trade. This is commerce. And no nation has ever retained its supremacy when its trade is lost.

We cannot live alone and prosper. No nation has ever prospered when left alone and shut out from the trade of the world. We are in a deep eddy of commercial stagnation, and every effort to prime the pump and push the ship to a safe commercial landing must be made.

Thomas Jefferson declared that—

Agriculture, manufacture, commerce, and navigation are the four pillars of our prosperity.

And he exhorted us to—

Peace, commerce, and honest friendship with all nations—entangling alliances with none.

And we should heed this exhortation throughout the ages. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

RECIPROCAL TRADE AGREEMENTS

Mr. FORD. Mr. Chairman, we are all well aware of the fact that either some 50,000,000 acres of fairly good farm land must be withdrawn from cultivation by our farmers or markets abroad must be secured for the products of as large a part of those 50,000,000 acres as seems possible. We are also convinced that lost markets for standard American industrial products must be regained.

If we fail to secure those markets, heart-breaking readjustments will become inevitable, as the President warned us in his message of March 2.

In that message the President shows how the success of wise tariff bargaining for the common good is dependent upon expert negotiation, swift decisions, and the authority to propose, discuss, accept, and reject proposals.

It is clear that such negotiations as these are not possible by this or any other legislative body. It is for us to decide upon the policy to be pursued. To put that policy into effect we must delegate authority.

The President requests that authority. And he tells us frankly how he will use it and to what end.

His policy is clear: To stimulate our exports by agreeing to take for them classes and types of imports that are as nearly as possible noncompetitive.

The argument put forth by those who have made no study of the subject is that foreign trade is of little importance to our people because it constitutes in normal times only some 10 percent of our total commerce. I maintain that we cannot afford to cut down our business activities and our employment 10 percent. It has been shown that over 9,000,000 of our people make their living in foreign trade. Are they of no consequence?

An analysis of our export trade reveals the clear fact that it is of paramount importance to most of our farmers. Regularly in normal times from one half to two thirds of our cotton, one fifth or more of our wheat, one third of our tobacco, and at least one third of our corn and hog products are sold abroad.

It becomes clear, then, that either we must restore our lost markets for these major products or we must cut production. Here is where the painful readjustments come in. To cut production means to force many long-established farmers into the cities, where there is no work for them. Such a national policy is fraught with tragedy. Homes will be broken up, people set adrift, while fertile acres will lie untilled.

Such tragedy must be averted. If anything will destroy our democracy it is to passively permit such conditions to develop. But they will develop unless we handle our tariff making in the modern way, unless we make trading agreements by which our farm and factory surpluses are marketed abroad, and at the same time definitely determine what foreign products we shall take in exchange for our exports.

For the 12 years preceding March 4, 1933, the United States went on producing huge surpluses for export, without providing for any sound basis of payment. No thought of readjustments was taken. We knew, our Government knew, our bankers knew, our industrialists knew, and our farmers and workers knew that exports of goods and services can be paid for only by imports of goods and services. And yet in a mad rush for immediate profits all of these closed their eyes to the plain facts and went on producing enormous surpluses for export, with no plan as to a return trade.

Under our iniquitous tariff policy only one method was left whereby our enormous surpluses could continue to be exported. That method is well known to the Members of this Congress and to their constituents. It was to extend loans to our customers abroad. To do this our international bankers and high priests of finance arranged to market and in many cases to underwrite at an unholy profit public and private securities issued by foreign states or municipalities or by foreign corporations. Thereby credit was made available to finance our exports. The estimates of the total securities thus marketed in the United States vary from fourteen to seventeen billions of dollars.

Who paid for them? The innocent American investor. Who recommended them? The equally innocent American international banker, whose innocence in this case was either culpable ignorance or culpable greed. Who had a quasi-Government approval? Andrew Mellon, the greatest promoter of all times.

Now, throughout this land we have old people and middle-aged people who put their all in these foreign securities and who have thereby lost their all. Many of them are actually on charity.

It is not my purpose at this time to go further into this tragic chapter of American finance. The facts are well known and the economic unsoundness of that policy is now generally admitted.

But in passing I wish to register my protest against any revival of the policy of making foreign loans to stimulate American exports. To do so is to return to the policy of Mellon and of the Presidents who relied upon him. There is profit for a few in such a course. But that profit is at the expense of the many. Only if our export bank just organized confines its operations to making short-term credit arrangements with Russia and Cuba, can it pretend to be economically sound. Those credits should be extended only on sound assurances and agreements that they shall be canceled within a short period by the receipt of such imports or services as this Nation can afford to accept. An extension of the operations of this bank on any other basis should be opposed by Congress in the interest of the American people.

The President states the bold and unpalatable truth in his message of March 2 when he says:

> American exports cannot be permanently increased without a corresponding increase of imports.

That is the basic fact. It is fundamental. Because previous administrations and previous majorities in Congress have been ignorant or unmindful of this fact, our people have suffered tragic losses and our whole system of economics and of government has been undermined and threatened.

The one and only sound method of stimulating exports is to decide what imports and services are to be taken in exchange for those exports. Trade is trade, whether it is national or international. In the long run, goods and services pay for goods and services. There is no other sound way.

Thank God the President knows this and his Secretary of State and his Secretary of Commerce know it. There is to be no hocus-pocus here, no attempted magic by which we sell to foreigners and profit by taking nothing in return. It cannot be done, gentlemen. If we are to sell abroad, we must buy there. That fact is as true as though it were written on tablets of stone by a superior and all-wise being.

It remains, then, to decide what imports we shall take for our surplus exports and what countries we shall take them from, and how we shall reach the wise decision. The President has the answer, as he has it to so many other exigent problems.

It is by reciprocal trade treaties.

If the plan involved the lowering of tariffs on competitive products from abroad, whereby established American industries might suffer, we would none of us be for it. Neither would the President. He knows that certain industries need protection, just as we know it.

Listening to the partisan attacks made on this proposal, the implication is that the President will use this power to betray and to ruin established agricultural or manufacturing industries. This is absurd and insulting.

We have in the White House a man whom we can trust. He will not work harm to any established industry. He will make only such tariff agreements as will benefit our people. And he will make them expeditiously, as opportunity offers, and in exchange for very definite advantages.

I am confident that if this grant of authority were put to a vote in my State, the people would endorse it by an overwhelming majority.

With no partisan bias, with the greatest good to the greatest number, with national recovery as the aim, with sound economic principles as their basis, I believe that reciprocal trade agreements can be made by executive negotiations and agreement. And I believe that we can entrust President Roosevelt with the authority to do this. He has the wisdom and the integrity. He knows his economics. He has at heart only one purpose, and that is to add to the happiness and the opportunities of the American people. To secure for them, in his own phrase, "a more abundant life." Let us take this next step in the recovery program. Let us delegate to the President the authority he asks and show that we have the same confidence in our leader that all America has. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. JOHNSON].

Mr. JOHNSON of Minnesota. Mr. Chairman, it is amusing to watch the two old parties wrangling on this question of trade agreements. In 1929 the Democratic Party waged a hard fight to prevent the then President Hoover from exercising rights under the flexible clauses of the tariff act, and now the Republican Party is opposing with all of their strength to giving trade-agreement powers to our distinguished leader in the White House.

We are faced with an emergency, and one that needs immediate action. The President is equal to this emergency and I know that he will act to the best interests of all of the people of this great country. Economic conditions of great importance are changing daily and with those changes we must be in a position to take full advantage so that our foreign trade will be best provided for.

I am confident in the leadership of Mr. Roosevelt. I am confident that he will see that the farmers and laborers of this country will get a square deal. I know that through trade agreements that can be executed when this body is not in session our Nation will be able to get the greatest possible benefits in furthering our foreign trade. I am fully aware that with the authority to raise and lower tariffs, the President will be in a good position to take advantage of every opportunity to further trade relations with other countries.

Never is legislation introduced that is not in many ways an experiment, and this is no exception. It is human to make mistakes, and I am confident that if any are made, the President will be quick to correct them under this bill. The President can, as the need arises, act quickly and dispose of our surplus agricultural and manufactured products in the world markets to the best advantage of the American people.

As a Member of the Senate 10 years ago—and I cite this as an example—I introduced a resolution which called upon the Tariff Commission to investigate the amount of butter being imported into this country and its effect on the domestic butter market. The Tariff Commission took approximately 6 months to investigate and, following their report, recommending a higher duty on butter, delay followed delay, and it took nearly 2 years before the increased duty became effective. I believe this will show the Congress the urgent need for action and passage of this bill at this time.

When I came to this country 43 years ago the first thing I found out about the two old parties was their different views on the tariff. Now, during this time the Democrats talked low tariffs and free trade, and for a like number of years Republicans have been singing the praises of the high tariff. I was not a Member of Congress when the Smoot-Hawley tariff bill became a law, but I am familiar with the contents of it, and I must say that the Republican Party has gone the full way of tariff powers in that bill. They have built a high wall over which products that our people can use from other countries cannot come in, and at the same time they have by this action served notice to other nations to do the same thing, making it impossible for us to trade with them.

I am sure that this measure will give the President the power that will enable him to make necessary changes and I know that he will do this at all times bearing in mind the needs of our people. It is needless for me to tell this Congress how, under the Smoot-Hawley Act, our trade relations with other countries dropped to unusually low marks, and that under this act it was impossible for our President, even under the flexible clause known as "336", to do anything about it. Give him a chance. I am sure he is worthy of an opportunity to revive our world trade. Surely he is in an excellent position to do so. Should this program fail Congress can remedy this in a few months.

The Republican Party never misses an opportunity to set up the cry of communism and socialism and revolution in this country, and are using every means that they know to make the people believe that the country is headed for disaster because we are departing from the reactionary policies of the previous administration. They are now trying to instill into the minds of the American people that the emergency measures that the President is asking for are a departure from the Constitution, and that the rights of our citizens are being taken away. I hope that they will not be misled in this. I have faith in the President and I know that he is trying to do everything he can to bring us out of the hole and restore us to normalcy again.

Selfish conservative leaders representing special privilege and big business have always dictated and have had written their own legislation. They have always dominated business and government to such an extent that they have choked the masses of our people and have not let up, nor will they, until everything has been taken from them.

Mr. HOEPPEL. Will the gentleman yield?

Mr. JOHNSON of Minnesota. I yield.

Mr. HOEPPEL. The gentleman is apparently referring to the Republicans, is he not?

Mr. JOHNSON of Minnesota. Surely, surely.

It is because of the reactionary leaders that we are in the plight we find ourselves today, and there is no one who can deny this. Their selfishness and greed is only surpassed by their stubbornness in relinquishing to the common man a small portion of that which they have taken from him.

Progressive leaders of other countries have gone far in adopting trade relations and trade agreements with each other, and I cite the splendid liberal leadership of the Scandinavian countries in this respect. I believe the President should have the authority to deal with foreign nations so that he can place our goods in world channels most effectively. [Applause.]

For years and years the Republican Party has opposed the granting to the Philippine Islands their independence, and have always dismissed this problem by stating that as soon as the islands were ready for their freedom they would grant it to these people. Well, ladies and gentlemen of this Congress, they are ready, and they have been ready for many years. No one can deny but what they should be entitled to self-government. I have a bill in Congress that would give these people their freedom within approximately 2 years. A bill that meets with the approval of the great masses of Filipino people. The people want this bill; the press of the islands has denounced other measures that meant independence in name only, and which would never grant the people the freedom they are certainly entitled to.

The bill which I have introduced is the companion measure of Senator KING's, and is the legislation that the people of the islands have been begging Congress to endorse. The passage of this bill would have meant once and for all the elimination of a market of oils and fats not desired by the American dairy farmer. It would have meant the elimination forever of this menace of a market which I am sure everyone in this Congress would like to see eliminated. Here is an island that offers nothing in the way of trade reciprocity with the United States and yet floods this country with products that are in direct competition with our dairy and sugar farmers. We sell little if nothing to the islands, and it is trivial to the tremendous flood of raw

products shipped into this country by this little group out in the Pacific.

The Republican Party of my State—and this holds true for this same party throughout the Nation—have represented the special interests of this country. They have forgotten the great rank and file that voted religiously for them. Unmindful of this solemn pledge they gave the people, they have exploited them almost beyond recovery. Under the false leadership of this once great party, the country kept sinking further and further into debt. Our farmers, as the result of the exploitation of the Republican Party, have lost their holdings through mortgage foreclosures, sagging markets, and a concentration of wealth on the part of Republican hierarchy.

The Republican Party suffered defeat at the hands of the voters in the last election, and it would be assumed that this defeat at the polls would have served notice on them to change their leadership, but they have not. Under the banner of the men who championed the rugged individualism of Herbert Hoover, Andrew Mellon, Grundy, and Vare, this selfsame Republican Party has asked to lead it in this House of Representatives many of the men who were responsible for putting into law the measures which have spelled ruin and disaster to this country.

It has been this leadership under the past Republican administration that passed the Esch-Cummins Act and the Smoot-Hawley Act. It was a Republican Congress that sustained the President's veto to give the worthy soldiers of this country the bonus, allowing all of this time to elapse so as to enable the bankers to drive a hard bargain and collect millions of dollars in interest on these certificates that should have been paid in cash.

They blocked the farmer at every turn of the road. They placed thorns in his side with idle words of aid which they had written into their party platform. They failed to pass the Frazier bill that millions of our clear-thinking and intelligent farmers were asking for. They served notice on the industrial workers of this country that they did not take cognizance of their needs, because in the years of Republican misrule they ignored the demands of organized and unorganized labor. In all of the last 12 years of Republican administration nowhere can we find evidences of good faith to the masses of people that go to make up this great Nation. However, we do find many evidences of the fingers of special privilege. We find the conservative wing of the Republican Party grasping everything and only the tricklings were allowed to drop through for the common man.

For years they have condoned the actions of our bankers and brokers. Instead of safeguarding the bank deposits of the millions of our people who placed faith in the Nation's banking system they watched this country's credit topple without doing anything about it. Their inaction cannot be laid at the door of stupidity. It can be and should be charged to their selfishness and greed. And when on that eventful day the stock market crashed and the earnings and the savings of millions of people were wiped out, nowhere can we find the G.O.P. offering any solutions to the problems.

For years they had been warned by liberal leaders as to the certain disaster they were headed for because of their misrule. Liberals have urged legislation that would spread the benefits of government, and yet in the knowledge of impending disaster these stubborn reactionary leaders would not yield. And now in the face of an overwhelming defeat they still cling tenaciously to that same leadership. Today's vote on this measure will bear this out. When the roll is called on this bill we are going to find the names of those who have for years stamped their seal of approval upon all of the conservative and reactionary measures that the people are now trying to erase.

Mr. COOPER of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman, after listening to the extended remarks of the opposition to this bill for the past few days, I might, if I had not been guilty of having to sell corn for 10 cents a bushel during the last few years, think that perhaps this Nation had realized great prosperity under the high protective tariff which we have had during the past administration. In view of that fact, I am inclined to take an opposite position and to feel that we are now undertaking a very important portion of the recovery program of this Nation, namely, a provision that will make it possible for the President of the United States to effect reciprocal trade treaties that will bring to this country the business and foreign trade it needs.

I feel that many of us do not accord the tariff the degree of importance it deserves. I am reminded of a story Woodrow Wilson told quite frequently to illustrate the important part the tariff plays in our economic picture. He likened it to the street plan of the great city of Boston. He said that a man who was standing at the entrance of one of the railway stations accosted a Bostonian and asked him which street he might take that would lead to the Common. The Bostonian replied, "Take any of these streets going in any direction and sooner or later you will come to the Common." So it is with American business. It is closely associated with the problem of the tariff. Regardless of what line of endeavor it might be, it is wrapped up in this picture of our relations with the rest of the world. For that reason it is of vital importance.

As a farmer and one interested in agricultural production, I feel it is only fitting and proper that we consider the tariff briefly from that particular angle. I hope the farmers of our Nation are coming to realize more and more that when they buy their steel tools and implements they are paying the tariff. Apparently they had not realized it prior to the last election. I hope the housewives of those American farmers will realize that when they buy aluminum utensils and things of that nature they are paying the tariff, and that the proceeds of those rates are thereby going into the coffers of American industrial giants, sometimes plaintively called "infant industries." I am fully aware of the fact that this country must be supported by certain tariff duties for revenue purposes, but when they get too high their prohibitive effect upon imports reduces rather than increases our national income.

I feel that we cannot in a surplus-producing country such as this continue with agricultural production unless we adopt one of three courses—either a plan of extreme nationalism, one of internationalism that will eventually absorb those surpluses, or a middle course that would have some marked advantages.

It is perfectly fitting and proper to my mind that we choose temporarily the course of nationalism in order to take care of an emergency; but, certainly, we should not follow it to its ultimate conclusion of State socialism. We should, in my opinion, adopt a policy of relations with the rest of the world that will make it possible to absorb farm and industrial surpluses. As the gentleman from Oregon so ably said a few moments ago, we should not, in this wealthy Nation and in this wealthy world, permit one fourth, or at least a large percentage, of our agricultural lands to lie idle and progressive, able farmers to go without work when there are people in this universe who are hungry. Which only reminds me of a story one of the largest grain dealers in America told me. I was riding on a train with him and in the course of conversation he said:

"A few months ago I was in the vast country of China talking to one of the largest Chinese merchants in the Orient. While we were visiting a parade marched by along the street and those Chinese were carrying banners. I asked the merchant what the banners said, and he replied, 'My friend, they read something like this: We do not want to have anything to do with America; America starves us.'"

My friend said to the Chinese merchant: "We do not starve anyone; far from it; we are extremely solicitous for the welfare of human beings", to which he replied: "If that be true, then I would like to have you go with me to certain sections of this great Chinese city."

Together they went into various portions of Peking; and as they were riding through the streets the merchant pointed to Chinese people sitting in the gutter eating the

guts of chickens and fish, fish heads, and refuse they had gathered from the gutter. The Chinese merchant said to my friend: "There, sir, is an example of people who are starving today because America will not exchange with us some of her surplus wheat for the things we can produce to good advantage." [Applause.]

There is much to be said for a middle path between economic internationalism and nationalism as far as American agriculture is concerned. A permanent policy of limited production in the face of our expansive capacities certainly seems unwise until we experiment with the possibility of rebuilding our foreign trade after its more or less complete collapse that has followed in the wake of recent policies of protection. Like many others I can see that great prosperity is possible for us under the banner of strict nationalism, but in order that the desired end may be realized we must accept a regimentation of agriculture, industry, and all other lines far beyond that which we are now experiencing or have even suggested. It appears to me that human nature in this boundlessly free country will not submit to it except in this emergency that is warlike in characteristics.

In my opinion, we should at least choose the middle course and begin a program of planned trade relations with the rest of the world. Unless we do that we cannot expect to dispose of possible surpluses in the field of agriculture or collect past debts. In previous remarks of mine on the floor of this House I indicated that there are three recognized methods of doing business—cash, credit, and exchange. It is perfectly obvious to any thinking individual that either of the first two methods must necessarily terminate in economic disaster if there is no exchange of goods and no trade balances. Unquestionably a planned middle course between nationalism and internationalism is going to require a reduction of some tariff rates, and why not? We have experimented with protection in the extreme for the past decade, and what has been the result? Tariff wars between nations have resulted in drastic reductions in the volume of world trade, not only in America, but in many other countries. Today we are struggling with an economic crisis, the like of which has never been known. We are exerting every effort, and properly so, to cope with a volume of unemployment that has engulfed the Nation; unemployment and a forced low standard of living that protection for industry was supposed to prevent.

Such a state of affairs has naturally reduced the purchasing power of the American working man, and thus had a disastrous effect upon American agriculture, the basic industry. Men who have no work cannot buy meat and bread.

If our trade channels can be opened, and I think they can, there is reason to believe that the wheels of industry will begin to move again in order to supply the demands created thereby. Men on their way back to work are naturally going to be in a position to buy the products of the American farmer, who will profit from the transaction. There is some question in my mind as to just how far we can proceed with such a plan. I think we may be able to carry it further toward internationalism than is now generally believed possible.

Too often when we talk of foreign trade we think of ships and oceans and things that are far away. We should remember that Canada is our next-door neighbor. We cannot make ourselves an island with only an imaginary line 2,000 miles long between two such great nations. Just beyond the Rio Grande are more of our natural trade allies. Mexico, Central and South America are waiting to buy vast quantities of American goods. We have only scratched the surface of that extensive market. Let it be remembered at this point that the world missed a big chance to prevent the collapse of 1929 when nations refused to march side by side in peace as they had done in war. We are on the verge of a new era now, as we were at the end of the great world struggle of 1914. We must either continue with nationalism and its marked restraints or we must choose to develop our international trade and thereby put millions of unemployed back to work again. We have looked beyond our boundary lines for generations, and I venture to say we must do so in the future if we want to develop the greatest and most powerful nation in the universe.

The American farmer is a producer of surpluses in the field of his major products and therefore will be a leading benefactor.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman, during the many hours of general debate upon this bill, we have listened to the usual number of funeral orations pronounced upon the death of the Constitution of the United States and the lamentations of a few gentlemen over the fact that conditions in this country, as well as in the world, have changed since the days of Washington and Jefferson and that we cannot live entirely unto ourselves. We have even heard a few Members from this side of the House speak against this bill. The gentleman from Nebraska [Mr. CARPENTER] said the other day in speaking upon this bill:

> I happen to be one of those rare Democrats who believe in a high tariff. I believe this country is going to be self-contained some day.

Thank God such Democrats are rare! I happen to be one of those Democrats who believe in the democratic doctrine of equal opportunities for all and special privileges for none. The high protective tariff is entirely contrary to and subversive of that doctrine. One of the greatest of the American Presidents, a great statesman from my own State, the State of New York, a great American and a great Democrat, Grover Cleveland, speaking during his first administration when the Democratic Party had come into power for the first time since the Civil War and when that great leader was making an effort to secure the passage of a Democratic tariff, a tariff that would carry out the principle of the doctrine of equal rights and equal opportunities for all and the destruction of special privileges for the favored few, and speaking after his noble effort had been to some extent thwarted by the fact that certain Members of the Congress at that time, bearing the label of Democrats, had injected into that tariff bill provisions favoring monopoly, aptly quoted the lines:

> Oh, for a tongue to curse the slave
> Whose treason, like a deadly blight,
> Comes o'er the councils of the brave
> To blast them in their hour of might.

I am going to support this bill because I believe that it is the next important step designed to advance us on a road to recovery of our prosperity and to the restoration of our foreign trade. The able and indefatigable Chairman of the Committee on Ways and Means and several other gentlemen on this side of the House have, I believe, furnished the House with complete information as to the provisions of this bill, the results which it is intended and designed to secure, and the effects which it will bring about. I have read the excellent report of the committee upon this bill as well as the minority views contained therein. I have listened to the arguments advanced by some very able and distinguished gentlemen on the other side of the House who argued that this bill contains an unreasonable and, indeed, unconstitutional delegation of powers to the President. In the brief time which it would be proper for me to take at this time I cannot discuss, nor is it necessary to do so, the question of the constitutionality of the bill. Numerous precedents have been cited showing equally as great delegations of power during many times in our political history by the Congress to the President with respect to the tariff and the reciprocal tariff agreements with the other countries of the world. Many of these relate to times when no such emergency existed as exists today.

I have read the cases cited by the gentlemen who claim that this is unconstitutional, and I cannot find a single precedent by the Supreme Court of the United States which sustains their contention.

Let us therefore consider for a moment the matter of the wisdom, the necessity, of this legislation. In the first place,

the Congress has never successfully legislated a fair equitable tariff. It is, in fact, so far as the details of tariff making are concerned, an administrative task, rather than a legislative function. A Tariff Commission was created during the administration of another great Democratic President, the immortal Woodrow Wilson. That Commission was created as a fact-finding body, composed of experts, to secure information as to what rates or duties were necessary for the protection of American labor and the protection of American industry and the protection of the American farmer. Very little use has been made of the Tariff Commission under the three preceding Republican Presidents; but, in general, such tariff changes as have been made have been designed to effectuate the conditions which now obtain so far as the farmer is concerned that he buys his machinery and the other things that he needs for himself and his family in a protected and therefore dear market, while he sells his food products in an unprotected market and for what the big dealers and distributors are willing to give him. In other words, the farmer gets it in the neck both going and coming, on both sides of the neck, and he has never received a single bit of benefit from the so-called "protective tariff." Thank God the American farmer is beginning to get his eyes open. It takes 9 days after a pup is born before the pup first opens his eyes and sees the light of day. And the story is that one novice in dog raising, after waiting several days for the litter of puppies to open their eyes, became impatient and knocked them all in the head. Of course, in death their eyes opened.

Some of us used to think that in order for the farmer to get his eyes opened to the hypocrisy and bunk of the Republican Party, he would have to be treated as the fellow in the story treated his pups.

In 1932 it was apparent that the American farmer had his eyes wide open, and hundreds of thousands of farmers who formerly had followed the Republican Party joined in the election of another great President and leader. They now have confidence in him, and I may say to the gentlemen who have been lamenting about this delegation of power to the President that we have confidence in President Roosevelt and that he wants to restore prosperity to the American farmer as well as to American industry and the American laborer.

Gentlemen on the other side of the House, as well as one or two on this side of the House, have pointed to the fact that our export trade or our exportable surpluses are only about 10 percent of the total amount of our production; but any intelligent business man could tell them that the difference between selling 90 percent of his goods and 100 percent of his goods, or even between selling 95 percent of his goods and 100 percent of his goods, means the difference between doing business at a loss and doing business at a profit.

It is necessary for us gradually to restore our foreign trade; it is necessary to do this, in the present state of economic warfare, of trade war, of tariff walls erected by this country against other countries and by other countries against this country, by making reciprocal trade and tariff agreements. What gentleman here believes that the Congress, or even that other august body on the other side of the Capitol which has been assiduously passing the buck the past few days on veterans' legislation [applause], can alone negotiate effectively a trade and tariff agreement? Business is not done in that way by the nations who are now our competitors; business cannot be done that way by this or any other nation; we retain the power here in Congress, we delegate the administration of the power, we, with respect to certain broad vital policies affecting this Nation and other nations, determine and legislate a policy; we properly empower and direct the President to administer the details of such policy.

It has been done not only by other countries, it has been done by ourselves; it is being done in nearly every one of the several States in the Union with respect to the regulation of other matters. I recall that in my own State of New York it used to be regarded as a purely legislative function to regulate the rates charged for their services by the great utility corporations, and the Legislature of the State of New York, as the legislatures of other States, assumed and exercised the power to prescribe for the city of New York and for other cities and communities the rates which gas companies and electric companies, street railways, intra-State railroads might charge the public for their service and commodities. Such a system did not work; it never could work. The power existed in the legislature, but in the State of New York, under the leadership of Governor Hughes, our present great Chief Justice of the Supreme Court, the legislature created the Public Service Commission and delegated to it these administrative powers, and the same thing has been done in most of the other States in the Union.

Some gentlemen on this side of the House—and I may say that I have great respect for them—have indicated that they are fearful lest someone in this administration, particularly the Secretary of Agriculture, would do something to destroy or injure some less efficient or, perhaps, inefficient or uneconomic, industry upon which their particular sections were dependent.

Personally, I have enough confidence in the Secretary of Agriculture and I am satisfied—from reading of his testimony in the hearings before the Committee on Ways and Means—that even if he had the power he would not injure any industry, even though it were inefficient. He has stated, of course, that he does not believe in further expanding an inefficient or uneconomic industry, and with that statement I am in entire agreement, because to expand an inefficient or uneconomic industry is a tax, an unfair tax, and a tax contrary to the Democratic doctrine opposing special privileges. It is a tax upon all the rest of us. But the Secretary of Agriculture is not going to administer this bill. He may, of course, be called upon by the President for information regarding details, but it is the President of the United States, informed by the Tariff Commission and by the other executive departments, who will administer this bill, and if we Democrats have any confidence in him, knowing as we do that we retain the final power, we will pass this bill.

Mr. Chairman, I am in favor of this bill because I believe it is in complete harmony with Democratic principles and because I believe it is absolutely necessary as the next step upon the road leading to the economic recovery of the Nation and to prosperity for the American farmer. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield 7 minutes to the gentleman from Washington [Mr. KNUTE HILL].

Mr. KNUTE HILL. Mr. Chairman, one cannot choose his birthplace nor his early environment. My parents were Republicans, but they were Lincoln Republicans. As I grew older I began to read and I began to think. May I quote the Good Book, where Saint Paul says in First Corinthian?—

> When I was a child I spake as a child, I understood as a child, I thought as a child; but when I became a man, I put away childish things.

So when I became of age I became a Democrat and cast my first vote for William Jennings Bryan. Twelve years later I convinced my good old mother that the Republican Party had so far departed from the ideals and principles of Abraham Lincoln that she cast her first vote for Woodrow Wilson. We had moved to Washington, a woman-suffrage State.

One of the reasons I became a Democrat was the tariff. The tariff has been a century-long issue between the Republicans and the Democrats. Away back during Jackson's time we had the tariff of abominations, and up until today we have had such abominable tariffs as the Payne-Aldrich, the Fordney-McCumber, and the Smoot-Hawley tariff bills. So I became a Democrat because of the tariff issue.

May I call the attention of my Republican colleagues to the origin of the word "tariff"? On the north coast of Africa there is a little place called "Tariffe." From this point pirates would go out when ships passed and would take a toll from those ships because the pirates were the

stronger. We have had in this country pirates of industry. Every time a housewife buys an aluminum dish or some aluminumware she pays tribute to these pirates. Every time a farmer buys an implement he pays a tribute to these pirates. Thomas Jefferson tamed the pirates of Tripoli during his administration, and Franklin Roosevelt will tame the pirates of industry during his term. My good friends over on the minority side say that Mellon was the greatest Secretary since Alexander Hamilton. I submit that he is the greatest humbug since P. T. Barnum. P. T. Barnum said there was a fool born every minute, and for years the Republican Party has fooled the American farmer.

Abraham Lincoln once made the statement that "You may fool part of the people all of the time, and all of the people part of the time, but you cannot fool all of the people all of the time." The farmers have awakened. They are not going to be fooled any longer by the proponents of high tariff.

I talked with a farmer at Trout Lake, Wash., in 1931. He told me he had purchased a manure spreader and paid $15 more in 1931 for the manure spreader than he paid during the war. What was he getting for the eggs protected by your tariff? He was getting 11 cents. What was he getting for his butter under your protection? He was getting 18 cents. Yet he paid $15 more for his manure spreader than he paid during war time.

I talked with another farmer and he told me he was going to buy a draper for his combine and that he was going to be charged $10 more for this draper than he had paid during the war. His wheat was selling for 30 cents a bushel. You Republicans gave him a 42-cent tariff on his wheat. This is the kind of protection you have been giving to the farmers. A tariff on their surplus products. A tariff of $5 per bushel on wheat would be of no benefit to the wheat grower. He must get rid of his surplus wheat and the Republicans have destroyed the foreign market for this surplus. Republican tariff help the farmer? What did the farmers think of the Payne-Aldrich bill which President Taft declared to be so beneficial to the farmer? He was the worst defeated man in 1912 of any in American history. What did the voters do to Fordney and McCumber, Smoot and Hawley, and President Hoover who signed the latter tariff bill?

Let us consider the Smoot-Hawley tariff bill. One thousand economists of this country urged Hoover to veto that bill. Thirty-eight countries of the world said they would retaliate if we passed it. Yet they went on and passed the bill and the President signed it, and what was the result? It was a game two could play at—all countries could play at. And how they have played the game!

The fruit industry of our Yakima Valley has been destroyed. We used to send hundreds of cars of soft fruit up into Canada. Today our soft fruit, including peaches, apricots, and so forth, is rotting on the ground because of your tariff and because of the retaliation of other countries. From Walla Walla we used to send 200 to 300 cars of vegetables into Canada. We are now sending about 10.

The tariff in Canada on a car of fruit is $1,035, and this is what you brought about by your tariff through retaliation of other countries.

Let me read from a letter I have received from a man in Walla Walla, who states:

> Rhubarb, which is produced at this time of the year by forcing with warm artesian water, is selling for only 2½ cents a pound. This is the lowest early price yet. Green onions, about five eighths of an inch in diameter, 9 to the bunch, 15 cents a dozen bunches, or approximately 108 onions. The growers here are sure discouraged and they are wondering what is to become of them, with the beginning prices as low as they are now. The people here formerly shipped large shipments of vegetables to Canada, but the market is closed now on account of the high tariff. If that market could be opened, it would sure be a blessing to this section.

Protection for the farmer! The farmers in my district in 1932 waked up and they helped elect President Franklin Delano Roosevelt. They sent the first Democrat in the history of our district to this Congress, and they are going to stay awake.

Let me quote from the leading Republican daily in my district, the Yakima Morning Herald:

> HOW CONGRESS LEGISLATES
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> After the Secretaries of Agriculture, State, and Commerce had urged the House Ways and Means Committee to recommend that the President be granted wider latitude in adjusting the tariff, Representative TREADWAY, of Massachusetts, a member of the committee, turned to them and said: "You are looking at this thing nationally. We Members of Congress have to look at it from the standpoint of the districts we represent."
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> The Representative from Massachusetts ably summed up in those two sentences the procedure with respect to the tariff since the first act was written into law. Congress does look at tariff schedules from the sectional or State point of view and not from the national point of view. Because it does so, the tariff laws that finally reach the statute books are the result of wire-pulling and log-rolling and convenient trades. Congressman Smith may know very well that a schedule desired by Congressman Brown is not in the national interest but he votes for it because he needs Congressman Brown's help in putting over a tariff item of his own.

Now, how are our tariffs made? This is the way tariff bills have been made and the strong manufacturing sections of the East, of New York and New England, have prevailed. Mr. Grundy, of Pennsylvania, and his group dictated the provisions of the Smoot-Hawley bill and, of course, they discriminated against the farmers of the South and the West.

It is this industrial group, together with the powerful utility group, that made it possible for 504 men in 1929, according to United States Government statistics, to make a net income equal to the gross income of over 2,000,000 farmers—all the cotton and wheat farmers of the United States. This is how the Republican Party in the past 12 years has helped the American farmer.

Now, what do we propose to do in this bill. We propose to utilize two good features of former tariff bills, flexibility and reciprocity. Our President will be authorized to do what all other countries have authorized their leaders to do. They will all sit down together around the international table, confer, discuss, and determine what will be to the best interests of all concerned. I have complete faith in the President in this matter. I trust in his ability and integrity. So do an overwhelming majority of the American people. He will protect our interests in every respect. He declared our economic independence on July 4, 1933. He declared our financial independence a few months later. The leaders of other nations respect and admire our President, and we can rest assured that this game will be played with fairness and justice to all. The avenues of international trade will be reopened and our surplus products will be transported over them. New markets in the Orient will be established and the markets of Canada, Central and South America be restored to us through the friendly guidance of Secretary Hull and President Roosevelt.

We may not agree with the President on everything. He has stated that he respects honest differences of opinions. He has also stated that if he makes a batting average of 75 percent he will consider himself fortunate. Because of his integrity, his faith, his courage, his unfailing cheerful optimism, we love, admire, and will support his major policies. He is the greatest friend the common man has had in the White House since Lincoln. A former Roosevelt said: "This country in the long run will not be a good place for any one of us to live in unless and until it is a good place for all of us to live in." Our Roosevelt is sincerely and earnestly trying to make that dream come true and establish permanently that high ideal. I am heartily with him in these efforts to restore our foreign commerce, and thus bring prosperity to farm and labor, industry and home. [Applause.]

Mr. COOPER of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER of Kansas. Mr. Chairman, we know out in my district, a great agricultural district, that we have lost the markets for our products and we believe that the high protective policy that this country has been pursuing is responsible for this loss. The figures that have been disclosed in this debate, in the committee report, and in the hearings show that our total exports have fallen from

$5,241,000,000 in 1929 to $1,670,000,000 in 1933, and it was brought out when the Dies silver bill was up for consideration that our agricultural exports have fallen from $1,800,000,000 in 1928 to $400,000,000 in 1932. These figures, I believe, therefore, prove that the people in my district are right in their conclusions that the high protective tariff policy is responsible for the decline in our exports.

The tariff was one of the principal issues in my district in the last election, and my people voted for tariff legislation calculated to help them regain their lost trade, and they would feel that they had been betrayed if they do not get it.

In 1927 I was in Paris, France, and became acquainted with a young American World War veteran, who had married a French girl and settled down in Paris. He was engaged in the typewriter business, principally buying and selling American typewriters. While I was there the Government of France entered into a trade agreement with Germany. According to said agreement with Germany, goods were to be let into France duty free, in return for certain French goods being permitted to enter Germany duty free, and at the same time the duty on a great many American products was raised. American manufactured products were popular in France and would outsell the French-made goods, which products consisted of automobiles, typewriters, adding machines, cameras, telephones, fountain pens, and all American standard manufactured goods. At once the American State Department protested. They said, "What does France mean by entering into a favorable trade agreement with a former enemy while at the same time discriminating against an ally?" The French Government retorted, "We will make the same sort of an arrangement or agreement with the United States; if you will let into your country certain French goods duty free or at lower tariff, we will then lower tariff on these goods on which the tariff had been raised and permit certain other American goods to come in duty free." But the State Department again said, "We request France to reduce the tariff on American products, but we cannot lower the tariff on French goods, because Congress alone has the power to do so." While these negotiations were going on, I stopped in my friend's place of business and said, "I expect you are rather provoked with the action of France in regard to the tariff on American goods, are you not? And he replied, "How is that? Haven't we in America always believed that we could have a high tariff if we wanted to?" I said, "Yes"; and he said, "Then why can't France have a high tariff too if she wants one?"

It occurred to me at that time that this high protective tariff policy had worked very well so long as the United States was the only country to maintain a high tariff. Thus we could prevent the products from other countries coming into our country, but there was nothing to restrain us from selling our goods to them. Now, however, the other countries of the world have seen how well it worked in the United States, and they have decided if it worked well for us it would work well for them. It was then that I began to give thought to this matter. It appeared to me we would eventually lose all of our foreign trade and that our products would begin to pile up on us at home, and that would mean that employees in different industrial enterprises would lose their jobs—that this would spread over all the United States, that people would lose their purchasing power, and that our country would he headed toward a depression in due time. Of course, I thought this would not come about immediately, but that it would occur in due time, probably in 25 or 50 years from then: I did not foresee at that time the Smoot-Hawley tariff law. However, not long after that came the Hoover landslide and apparently big business and the great greedy interests who had thrived under the high protective policy in the years gone by were smart enough to realize that the farmers and the laborers and the people in general in this country would soon have the blind removed from their eyes and would demand a reduction of our tariff. According to the old rules of the game always played by the big interests, they then began to follow out their usual tactics in demanding as high a tarff as possible, knowing this would be their last opportunity in this country to ever obtain such a high tariff. They knew we did not need any such high tariff as they were demanding; but if they obtained such a high tariff, when the demand later came for a lower tariff and the tariff rates reduced, the reduction would not hurt them any because they were able to put over the Smoot-Hawley tariff bill.

When this Smoot-Hawley tariff bill was up before Congress, 1,028 economists, a great many, if not the majority, of whom were college professors, petitioned the Congress not to pass such a bill and if passed that it be vetoed by the President, and they pointed out what would happen to this country should said bill be passed; especially did they predict retaliatory tariffs. I quote from their petition as follows:

> The undersigned American economists and teachers of economics strongly urge that any measure which provides for a general upward revision of tariff rates be denied passage by Congress, or if passed, be vetoed by the President.
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> We are convinced that increased protective duties would be a mistake. * * *
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> The vast majority of farmers, also, would lose. Their cotton, corn, lard, and wheat are export crops and are sold in the world market. They have no important competition in the home market. They cannot benefit, therefore, from any tariff which is imposed upon the basic commodities which they produce. * * *
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> Our export trade, in general, would suffer. Countries cannot permanently buy from us unless they are permitted to sell to us, and the more we restrict the importation of goods from them by means of ever higher tariffs the more we reduce the possibility of our exporting to them. This applies to such exporting industries as copper, automobiles, agricultural machinery, typewriters, and the like, fully as much as it does to farming. The difficulties of these industries are likely to be increased still further if we pass a higher tariff. There are already many evidences that such action would inevitably provoke other countries to pay us back in kind by levying retaliatory duties against our goods. * * *
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> America is now facing the problem of unemployment. Her labor can find work only if her factories can sell their products. Higher tariffs would not promote such sales. We cannot increase employment by restricting trade. American industry, in the present crisis, might well be spared the burden of adjusting itself to new schedules of protective duties.

Everything they predicted would happen in case this bill became a law and more too did occur. There is a lot of criticism today of college professors and a lot of ridicule of the so-called "brain trust." So far as I am personally concerned, I would not turn over the running of this country to the college professors or to any one class, be they lawyers, doctors, or so-called "statesmen"; yet I do want to say that here were some college professors who knew what they were talking about; and, alas! it was not only too bad for Hoover but also for the country that he did not take their advice.

Even before the Smoot-Hawley tariff bill was passed and when it was in the process of being passed—it being a good many months under consideration—the other countries of the world viewed with alarm what we were doing, and on the threat of the passage of this bill commenced to erect retaliatory tariffs against us. Then it was that this country and the whole world started the slipping that landed us in this depression. I say, if there was any one group in this country today that is responsible for the legislation requiring governmental control of agricultural surpluses—the N.R.A. and all these other emergency acts—it is this high-tariff crowd that ruined our foreign trade and thereby threw these surpluses back upon us. It is this high-tariff policy which is, in my judgment, the root of all evil in this country from an economic standpoint. It was this tariff policy causing retaliatory tariffs abroad that resulted in our great American industries going to foreign countries and establishing American manufacturing plants to get around these retaliatory tariffs, and where cheap foreign labor could be employed.

Thus these American products manufactured abroad were put in competition with our industries in this country, resulting in the closing of the factories in this country and a throwing of American workmen out of employment. Millions and billions of dollars have been taken out of this

country and invested abroad, and to stop such practice I introduced H.R. 5306, now pending before the Committee on Ways and Means, to tax all moneys and credits going out of this country for permanent investment abroad. Had such a law been in effect the last 10 years, not only would it have resulted in this money and capital remaining in this country, where it belongs, but it would also have brought in considerable revenue to the Treasury that was being taken out of this country never to return.

What would happen in any town or city if the merchants and the people in that town or city quit trading with each other? It would mean that the businesses in the city would cease and the city would die. The same thing would happen which has happened to the various countries in the world when they quit trading with each other.

In regard to the legislation provided in this bill, President Roosevelt said in his message to Congress:

> Other governments are to an ever-increasing extent winning their share of international trade by negotiated, reciprocal trade agreements. If American agricultural and industrial interests are to retain their deserved place in this trade, the American Government must be in a position to bargain for that place with other governments by rapid and decisive negotiation based upon a carefully considered program, and to grant with discernment corresponding opportunities in the American market for foreign products supplementary to our own.
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> If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded. If it is not in a position at a given moment rapidly to alter the terms on which it is willing to deal with other countries, it cannot adequately protect its trade against discriminations and against bargains injurious to its interests. Furthermore, a promise to which prompt effect cannot be given is not an inducement which can pass current at par in commercial negotiations.
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> For this reason any smaller degree of authority in the hands of the Executive would be ineffective. The executive branches of virtually all other important trading countries already possess some such power.

If we had had such a law as is here proposed by the President, we could have quickly and promptly negotiated a trade agreement with France back in 1927 on the occasion referred to in the beginning of my speech.

It is the duty of Congress to pass legislation that will benefit the whole country. We are not supposed to be just a debating society with nothing more involved than to try to see who can be victorious in the passing or defeating of some bill. It is not a question of whether the Democrats can defeat the Republicans or the Republicans can defeat or embarrass the Democrats upon the floor of this House. I supposed that the political party was merely the pony that we rode on up to Congress and that when we arrived here we would not ride our horse around on the inside of this Chamber, but would tie him on the outside and get down to the business of our country without regard to partisan politics, but I find to my sorrow that such is not the case.

The opponents of this measure are against the regulation by the Government of agricultural surpluses, and in this I do not disagree with them; but at the same time they say they are opposed to lowering the tariff rates and are opposed to international trade agreements. They want higher and yet higher tariffs. If they are serious in their opposition to the governmental regulation of agricultural surpluses, then they should be opposed to a high tariff; but if they are in favor of a high tariff to prevent our trading with other countries, then they should favor the governmental regulation of our agricultural surpluses. If they oppose one, they must oppose the other; if they are in favor of one proposition, then they must favor the other; they cannot work both sides of the street at the same time.

In my judgment, in considering a tariff bill in which the schedules are all contained therein, Congress is more apt to pass a high tariff bill than a low tariff bill, for the reason that each Member of Congress wants some special protection or a high tariff upon some product from his own district; so, in order to obtain the votes of other Members for his high-tariff schedule, he will vote for a high tariff on their products. The only way we can ever adjust our tariff regulations, so as to permit of trading with other countries, is, therefore, to pass the legislation as proposed in this bill.

The two most important matters of legislation affecting the future economic welfare of this country, in my judgment, are:

First. Tariff legislation that will enable us to resume our trading with the rest of the world; and

Second. Legislation that will give us an expansion of the currency wherein we will have an adequate but sound medium of exchange, and I believe this can best come about through remonetization of silver, which will give us a medium of exchange to trade with that part of the world that has only silver with which to purchase our products.

There have been many statements read here by the gentlemen opposed to this bill, quoting distinguished Members of this body, and such being the case, then let me read to you certain statements from the CONGRESSIONAL RECORD applicable to conditions of today:

> We hear much about a "stable currency" and an "honest dollar." It is a significant fact that those who have spoken in favor of unconditional repeal have for the most part avoided a discussion of the effect of an appreciating standard. They take it for granted that a gold standard is not only an honest standard but the only stable standard. I denounce that child of ignorance and avarice, the gold dollar under a universal gold standard, as the most dishonest dollar which we could employ. * * *
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> I am on sound and scientific ground, therefore, when I say that a dollar approaches honesty as its purchasing power approaches stability. If I borrow a thousand dollars today and next year pay the debt with a thousand dollars which will secure exactly as much of all things desirable as the one thousand which I borrowed, I have paid in honest dollars. If the money has increased or decreased in purchasing power, I have satisfied my debt with dishonest dollars. While the Government can say that a given weight of gold or silver shall constitute a dollar, and invest that dollar with legal-tender qualities, it cannot fix the purchasing power of the dollar. That must depend upon the law of supply and demand, and it may be well to suggest that this Government never tried to fix the exchangeable value of a dollar until it began to limit the number of dollars coined.
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> If the number of dollars increases more rapidly than the need for dollars—as it did after the gold discoveries of 1849—the exchangeable value of each dollar will fall and prices rise. If the demand for dollars increases faster than the number of dollars—as it did after 1800—the price of each dollar will rise and prices generally will fall. The relative value of the dollar may be changed by natural causes or by legislation. An increased supply—the demand remaining the same, or a decreased demand, the supply remaining the same—will reduce the exchangeable value of each dollar. Natural causes may act on both supply and demand; as, for instance, by increasing the product from the mines or by increasing the amount consumed in the arts. Legislation acts directly on the demand, and thus affects the price, since the demand is one of the factors in fixing the price.
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> If by legislative action the demand for silver is destroyed, and the demand for gold is increased by making it the only standard, the exchangeable value of each unit of that standard, or dollar, as we call it, will be increased. If the exchangeable value of the dollar is increased by legislation, the debt of the debtor is increased, to his injury and to the advantage of the creditor. And let me suggest here, in reply to the gentleman from Massachusetts [Mr. McCall], who said that the money loaner was entitled to the advantages derived from improved machinery and inventive genius, that he is mistaken. The laboring man and the producer are entitled to these benefits, and the money loaner, by every law of justice, ought to be content with a dollar equal in purchasing power to the dollar which he loaned; and anyone desiring more than that desires a dishonest dollar, it matters not what name he may give to it. Take an illustration: John Doe, of Nebraska, has a farm worth $2,000 and mortgages it to Richard Roe, of Massachusetts, for $1,000. Suppose the value of the monetary unit is increased by legislation which creates a greater demand for gold. The debt is increased. If the increase amounts to 100 percent the Nebraska farmer finds that the prices of his products have fallen one half and his land loses one half its value, unless the price is maintained by the increased population incident to a new country.
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> The mortgage remains nominally the same, though the debt has actually become twice as great. Will he be deceived by the cry of "honest dollar"? If he should loan a Nebraska neighbor a hog weighing 100 pounds and the next spring demand in return a hog weighing 200 pounds he would be called dishonest, even though he contended that he was only demanding one hog—just the number he loaned. Society has become accustomed to some very nice distinctions. The poor man is called a "Socialist" if he believes that the wealth of the rich should be divided among the poor, but the rich man is called a "financier" if he devises a plan by which the pittance of the poor can be converted to his use.
>
> The poor man who takes property by force is called a "thief", but the creditor who can by legislation make a debtor pay a dollar twice as large as he borrowed is lauded as the friend of a sound

currency. The man who wants the people to destroy the Government is an anarchist but the man who wants the Government to destroy the people is a patriot.

The great desire now seems to be to restore confidence, and some have an idea that the only way to restore confidence is to coax the money loaner to let go of his hoard by making the profits too tempting to be resisted. Capital is represented as a shy and timid maiden who must be courted, if won. Let me suggest a plan for bringing money from Europe. If it be possible, let us enact a law "Whereas confidence must be restored; and whereas money will always come from its hiding place if the inducement is sufficient: Therefore be it enacted, that every man who borrows $1 shall pay back $2 and interest (the usury law not to be enforced)."

Would not English capital come "on the swiftest ocean greyhounds"? The money loaner of London would say: "I will not loan in India or in Egypt or in South America. The inhabitants of those countries are a wicked and ungodly people and refuse to pay more than they borrowed. I will loan in the United States, for there lives an honest people, who delight in a sound currency and pay in an honest dollar." Why does not someone propose that plan? Because no one would dare to increase by law the number of dollars which the debtor must pay, and yet by some it is called wise statesmanship to do indirectly and in the dark what no man has the temerity to propose directly and openly.

We have been called cranks and lunatics and idiots because we have warned our fellow men against the inevitable and intolerable consequences which would follow the adoption of a gold standard by all the world. But who, I ask, can be silent in the presence of such impending calamities? The United States, England, France, and Germany own today about $2,600,000,000 of the world's supply of gold coin, or about five sevenths of the total amount, and yet these four nations contain but a small fraction of the inhabitants of the globe. What will be the exchangeable value of a gold dollar when India's people, outnumbering alone the inhabitants of the four great nations named, reach out after their share of gold coin? What will be the final price of gold when all the nations of the Occident and Orient join in the scramble?

This speech that I have just read to you states the conditions that prevail today; and if you ask me what Senator or Representative made that speech yesterday, last week, last month, or last year, I will have to tell you that this speech was made by no other than William Jennings Bryan on this very floor almost 41 years ago, and on August 16, 1893. It is found in the CONGRESSIONAL RECORD, No. 133, volume 25, part 1, page 401 and following pages.

Again I read to you:

The farmer labors under a double disadvantage. He not only suffers as a producer from all those causes which reduce the price of property, but he is thrown into competition with the products of India. Without Indian competition his lot would be hard enough, for if he is a landowner he finds his capital decreasing with an appreciating standard, and if he owes on the land he finds his equity of redemption extinguished. The last census shows a real-estate mortgage indebtedness in the five great agricultural States—Illinois, Iowa, Missouri, Kansas, and Nebraska—of more than $1,000,000,000. A rising standard means a great deal of distress to these mortgagors. But as I said, the producers of wheat and cotton have a special grievance, for the prices of those articles are governed largely by the prices in Liverpool, and as silver goes down our prices fall, while the rupee price remains the same.

It is among the first principles in finance that the value of each dollar, expressed in prices, depends upon the total number of dollars in circulation. The plane of prices is high when the number of dollars in circulation is great in proportion to the number of things to be exchanged by means of dollars, and low when the dollars are proportionately few. The plane of prices at present and for some time past is and has been ruinously low. The increase of our population at about two millions a year, scattered over our immense territory, calls for increasing exchanges, and thereby demands an increasing number of dollars in circulation. The increase in the number of dollars when dollars are confined to gold is not sufficiently rapid to meet the growth of our exchanges. The consequence is a growing value of dollars, or a diminishing value of everything else expressed in dollars; which is to say, a tendency toward constantly declining prices.

The fountainhead of our prosperity has run dry. Our farmers over all the country have endured the depression in prices, until they get about $8 or $9 an acre for an expenditure of $10 per acre, and the like. Their credit is exhausted at their country stores. The country store ceases to order from the city merchant, the city merchant reduces his demand upon the manufacturer. Manufactures are curtailed. The consequence is that employees and all elements of labor are being discharged and wages are lowered to those who continue in employment. The sufferings of the farmers, who constitute nearly one half of our population, are thus enforced upon the city merchant, the manufacturer, and all forms of labor. These combined elements constitute the overwhelming majority of voters. Their intelligent conclusion will be felt when expressed at the polls.

This speech sounds very much like some of the speeches of our colleagues here in Congress or some of the speeches delivered not long ago by our good friend, the late John Simpson, but which is taken from the speech of William P. St. John, Esq., of New York, at the silver-party convention in 1896.

I quote the following resolution:

We are unalterably opposed to the issue by the United States of interest-bearing bonds in time of peace, and we denounce as a blunder worse than a crime the present Treasury policy, concurred in by a Republican House, of plunging the country into debt by hundreds of millions in the vain attempt to maintain the gold standard by borrowing gold; and we demand the payment of all coin obligations of the United States, as provided by existing laws, in either gold or silver coin, at the option of the Government, and not at the option of the creditor.

The demonetization of silver in 1873 enormously increased the demand for gold, enhancing its purchasing power and lowering all prices measured by that standard, and since that unjust and indefensible act the prices of American products have fallen upon an average nearly 50 percent, carrying down with them proportionately the money value of all other forms of property. Such fall of prices has destroyed the profits of legitimate industry, injuring the producer for the benefit of the nonproducer, increasing the burden of the debtor, swelling the gains of the creditor, paralyzing the productive energies of the American people, relegating to idleness vast numbers of willing workers, sending the shadows of despair into the home of the honest toiler, filling the land with tramps and paupers, and building up colossal fortunes at the money centers.

which resolution sounds as if it had been written up by the friends of the farmer and silver legislation, but which was a part of the silver-party platform of 1896.

Therefore, it is now clearly seen that those advocating a tariff policy that would permit foreign trade in our agricultural products and other products and advocating the free and unlimited coinage of silver at a fixed ratio 40 years ago were right, and those who favored high tariffs and opposed silver legislation eventually brought us where we are today.

The amount of wealth in this country increased from $186,300,000,000 in 1912 to $399,900,000,000 in 1923, and in 1929 it stood at $361,800,000,000, whereas the total amount of gold produced in the United States from 1790 to May 2, 1933, is placed at approximately 226,384,295 ounces, with a value of $4,679,778,700, therefore approximately in 1923 we had 400 billions of wealth in this country, all of which wealth was measured on a gold basis with approximately only four billion dollars of actual gold as a medium of exchange with which to move this great volume of business, and which when the demand was made for the gold would therefore cause one of two actions, either the $4,000,000,000 worth of gold had to be increased toward the $400,000,000,000 worth of property value or the four hundred billions of property value had to be deflated down to the four billions of actual gold. There being no more gold in existence, therefore, values had to fall and consequently our national wealth was decreased while the indebtedness remained where it was. While no one expects that we will have as much gold in existence as we have national wealth, the point is that it is very foolish to remain on a gold basis and to depend upon gold and gold alone as our medium of exchange; and if we do so, our wealth being so much greater than the gold in this country and increasing at a greater ratio, then it can only result in stagnation of trade. Instead of the medium of exchange controlling the wealth, the wealth of the country should control the medium of exchange; in other words, instead of the tail wagging the dog, the dog should wag the tail. It may be that the medium of exchange in ordinary transactions of business, of course, would not have to be of such a great volume, but it has been manifested that this amount of gold has been altogether too small and, therefore, if we should broaden our base and remonetize silver and issue a certain amount of currency instead of tax-exempt bonds, such action would thereby increase our medium of exchange sufficiently to lubricate our business and keep the channels of trade moving.

Most all forms of expansion of the currency are denounced by those opposing expansion as fiat money. How have we been transacting business here prior to the debacle of March 1933? I should judge over 90 percent by the medium of exchange was in the form of notes, bank checks,

and drafts, which did not even have the fiat of the Government behind them, and were nothing but paper money. While the Government now has more gold stored up in the Treasury than it has paper money outstanding, yet what kind of currency do we have in this country today? Primarily it is backed by gold, but practically, since the payment in gold is suspended and we are prohibited from possessing it or gold certificates, all we have behind this paper money is the credit of the Nation. Silver, except to a limited degree, is not recognized; and yet we are warned of all things to beware of printing-press money, and lo! that is all we have. We have just as much paper money as someone in the Treasury says we shall have; and yet the Constitution of the United States says that Congress shall be the one to determine this. Just let Congress attempt to determine how much currency we should have and hear the experts begin to howl and tell us that Congress is attempting to ruin the country.

The course we have been following in regard to our currency is a course that has been controlled by those who believe in a high protective tariff and the building of this tariff higher and still higher. They tell us that whatever expansion we have must be an expansion of credit, but not an expansion of the currency. In my judgment the motive behind the actions in regard to the currency policy this country is now pursuing and has been pursuing these many years is to give the big bankers and the moneyed powers of this country and abroad the advantage by creating an expansion of the credit upon which interest can be collected, whereas no interest can be collected upon currency. In other words, these great banks and moneyed powers will have control of the money, and hence the wealth of this country and at the same time compel every one else to pay them tribute in the form of interest, and therefore they will be our real masters.

With every other country having erected a high-tariff wall and refusing to let our goods in, perhaps we cannot all at once reduce our tariff and proceed on a basis of free trade and revenue only. However, if we did so, I believe we have no need to fear because American products are so much better than European products that they can outsell them even in their own countries; but for fear there would be a flood of cheap products in our country while our goods would be prohibited from selling abroad, the safest way to proceed is with trade agreements as provided in this bill.

This tariff power must be intrusted to someone. Some governmental agency will of necessity have to control, no difference what kind of a tariff bill Congress might pass; therefore, why not trust the President of the United States as a servant of Congress and the people of the United States in this regard? The President of the United States can be removed every 4 years and can be removed so much easier than the influence of big business that surrounds a Congress when tariff legislation is being considered.

Before I conclude let me read an editorial that appeared in the Kansas City Star sometime ago, entitled "The Tariff Factor in Trade" bearing upon this legislation and which reads as follows:

Discussion of the world's high tariffs, as a factor against trade revival persists. It is becoming more and more obvious, and therefore more and more accepted, that American import duties in many instances are too high, even from the protective point of view. There is much to the contention of Prof. Harry D. Gidionse, of the University of Chicago, in an address in this city, that a tariff policy serviceable to the United States when it was a debtor nation is not serviceable since we have become a creditor nation.

This country cannot expect to receive payments in gold on its foreign debts, public and private, and on goods which it sells abroad. It has been impressively demonstrated in the last year that there is not enough gold for that purpose. Payments must be accepted largely in goods if we are to continue to sell surplus products abroad. It is precisely such payment that a high tariff prevents.

The high-tariff policies in Europe are chiefly due to the outburst of nationalism evoked by the war and the desire of every nation, no matter how small, to make itself as nearly as possible self-sufficient, even at heavy expense to its people. The responsibility of the present American tariff rates for European tariffs is overstated, but in some instances retaliatory action was taken.

There is little prospect of early changes in world tariffs. Last year the European conference to obtain a standstill arrangement on tariffs broke down. The protected industries had enough political power to prevent action. It is possible that severe economic pressure may lead to a general mitigation of the high duties that are stifling European trade.

In the United States the pressure of public opinion ought to be exercised to obtain reciprocal arrangements under which American duties might be reduced in return for reduction in foreign schedules. But with a national election in prospect it is probably impossible to obtain the necessary legislation. The influence of protected industries is so strong that Congress feels any proposal of tariff changes would be full of political dynamite.

While I believe it to be the duty of every Representative in Congress to vote as he conscientiously believes for the best interests of his constituents, and I have no criticism of any Member of Congress for honestly voting in any way in which his judgment and his conscience dictates in the interest of the people of his district, his State, and this Nation, yet I have heard a great deal of hullabaloo of voting for and supporting the President on a lot of measures some of which were important and some of which were not important, some of which are good and some of which are not so good, but, in my judgment, here is a real test of whether a Member of Congress is not only voting for President Roosevelt but for the people of this country and therefore I am voting for this bill.

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from New Jersey [Mr. SEGER].

Mr. SEGER. Mr. Chairman, evidently there are some who do not agree with the statement made by the gentleman from New York [Mr. SISSON] that no industry will be put out of business by the enactment of this legislation.

I have just received a telegram from the secretary of the code authority for the lace-manufacturing industry, which I am going to read because it also affects many of my constituents.

NEW YORK, N.Y., *March 27, 1934.*

Congressman GEORGE N. SEGER,
House Office Building, Washington, D.C.:

Secretary Wallace cites lace industry as inefficient and offers our industrial head on executioner's block as sacrifice in the effort to secure the reciprocal trade agreement proposed in bill before House. The wiping out of more than $20,000,000 of invested capital and the throwing out of employment of more than 8,000 people in our industry is the generous offer of Secretary Wallace. Complete destruction of industrial effort covering more than 20 years' work is promised by those officials to whom American industry should look for encouragement and support. The passage of the amendment to the Tariff Act of 1930 would spell complete disaster and ruin to an industry which was established in this country by Government invitation and encouragement. Our industry is today operating under the sixth code promulgated by the National Industrial Recovery Administration. Our operating costs, due to patriotic support of N.R.A., have been greatly increased to the advantage of industrial Europe, which is not operating under N.R.A. Is our loyal support of President Roosevelt's recovery program to be rewarded by annihilation as a reciprocal gesture to Europe. Are our 8,000 employees to be thrown out of employment and our capital investment to be dissipated in the hope of developing export trade without American industry being given even an opportunity to be heard? We earnestly appeal to you to use your best efforts to defeat this un-American measure. Incidentally, we greatly resent Secretary Wallace's characterization of the lace industry as "inefficient." We challenge this statement by asserting that the lace industry in America as organized today is vastly more efficient than the industry abroad, despite the hundreds of years of European historic background.

CLEMENT J. DRISCOLL,
Secretary of Code Authority for Lace Manufacturing Industry.

Mr. Chairman, I ask at this time unanimous consent to insert in the RECORD three other telegrams which I have received and a short brief which I have prepared with respect to various tariff acts.

The CHAIRMAN (Mr. PARSONS). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The matter referred to follows:

BRIDGEPORT, CONN., *March 28, 1934.*

Hon. GEORGE N. SEGER,
House Office Building, Washington, D.C.:

Lace industry is opposed to any change to Tariff Act of 1930; especially denounces attempt to give President power to bargain away our protection through reciprocal tariff negotiations. Should duties on laces be reduced, an annual pay roll of $10,000,000 will

be wiped out in the United States, to be replaced by pay rolls in foreign countries amounting to less than one sixth of this amount. These lace makers in foreign countries will have only limited purchasing power. Our workers buy more American-made products in our home markets than the whole lace industries of Europe combined. American lace industry is more efficient than any in the world. Contrary to Secretary Wallace's statement, our lace industry is the most efficient in the world.

H. A. PHILIPS,
General Manager the American Fabrics Co., Bridgeport, Conn.

NEW YORK, N.Y., *March 28, 1934.*

Congressman GEORGE N. SEGER,
Washington, D.C.:

Protesting in the name of the hand machine embroidery industry, representing 350 factories, 90 percent of which are in your State, against the bill known as H.R. 8687.

SIGMUND WEITZEN,
Chairman of the Code Authority Board of Administration.

NEW YORK, N.Y., *March 28, 1934.*

GEORGE N. SEGER,
House Office Building, Washington, D.C.:

We strongly oppose passage of H.R. 8687. It is obvious from newspaper reports and from statement of the executive commercial policy committee that if this bill is made law the powers granted the President will be used to destroy industries without proper consideration of facts. The lace-manufacturing industry has been cited as overprotected and inefficient. We deny it and are prepared to prove that the lace-manufacturing industry in this country is conducted more efficiently than anywhere in the world. To grant the President powers provided for in the bill would be un-American and contrary to all the principles of N.R.A.

LIBERTY LACE AND NETTING WORKS,
106 West Thirty-eighth Street.
HUGO N. SCHLOSS, *Treasurer.*

IMPORTANCE OF TARIFF PROTECTION TO THE LACE INDUSTRY

Mr. SEGER. From the time of the Tariff Act of 1890 to 1909, with the exception of the years from 1894 to 1897, the duty on lace edgings, embroideries, insertions, and the like was 60 percent ad valorem. In 1909 Congress encouraged the lace industry by raising the duty on all products of the Levers lace machine to 70 percent ad valorem and at the same time allowed the importation of Lever machines free of duty for a period of 17 months (normally there was a 45-percent duty on machines.)

This encouragement to the industry apparently came as a surprise to many of the lace and lace-curtain manufacturers in this country. By January 1, 1911, over $20,000,000 was invested in the establishment of the industry. Mills were started in eight States and direct employment given to many thousands of persons. There was great difficulty in getting skilled weavers to run the machines. The industry had difficult technical problems. There was besides keen competition from foreign producers. The new factories were just about in working order when the rates on Levers lace goods were reduced by the Tariff Act of 1913. This came as a bitter blow to the industry. One manufacturer stated at the tariff hearings in 1921:

> We believed that it was the intent of Congress to encourage the creation of a distinctive American industry and that it would not hastily revise a decision made on its own initiative. The act of Congress therefore in 1913 in reducing the tariff to 60 percent was a keen disappointment to many who had started in the new industry.

During the World War the lace machines of America were shown to be potential arms of national defense in that they produced bobbinet or what is commonly known as "mosquito netting" and other material required by the Army and Navy. Practically all of the lace machines were operating on Government contracts for much-needed material in the program of national defense.

At the close of the war the growth of the hand-made lace industry in the Orient with its low labor costs made it possible to market hand-made laces, in this and other countries, at low prices in competition with the higher grades of machine-made lace. This competition led the domestic manufacturers to ask for greater protection and in the Tariff Act of 1922 the rate on Levers products was raised to 90 percent ad valorem, which rate was again established in 1930, after the most intensive investigation by the Tariff Commission.

With the encouraging of the industry and the higher living costs in America a survey of the wages paid today will show a greater differential between the wages paid in America and those paid abroad.

In this connection it is also well to remember that all our lace mills are maintained and operated in accordance with our well-established factory laws, while the manufacture of laces abroad is in a large measure home work and in mills not operating under the same expensive regulations as apply to mills in this country.

The lace industry is interconnected closely with the yarn industry, as well as the dyeing and bleaching industry.

In reviewing the economic conditions of maintaining this industry in America, consideration must be given to the moneys expended in the purchase of its raw materials such as yarn, dyestuffs, and other accessories.

Its production is consumed by the dress and underwear manufacturing industries. It must be obvious that if laces and lace-trimmed garments did not receive an adequate tariff protection, these garments would be manufactured in foreign countries and imported into this country in large quantities, throwing out of employment the greater part of approximately 187,500 wage earners now engaged in the manufacture of women's lace-trimmed dresses, lace-trimmed underwear, lace-trimmed nightwear, lace-trimmed neckwear, millinery, and so forth, in addition to the thousands of employees directly engaged in the lace industry.

During the tariff hearing of 1921 when the Ways and Means Committee was considering the lace schedule, Vice President Garner, then a member of that committee, made the following statement concerning the lace schedule:

> Undoubtedly the statistics in this instance would show that it would stand, from a revenue standpoint, a considerably larger rate than it has now, and I presume equally as large from a protection standpoint.

Mr. Chairman, while the lace industry in this country may not be very profitable, it is far from inefficient. If it were not for the skill of the operators in this industry, it could not compete with the lace makers of foreign countries. Let me give you an example.

Very few people visit Italy without going to Venice, and very few people visit Venice without going to the lace factories, and few women leave the lace factories without buying some lace. I visited a lace factory in Venice with Mrs. Seger and in looking over the work we saw some very beautiful pieces of lace, among them a very fine lace collar which Mrs. Seger appraised at $25 or $30 in the United States. When we asked the price of the man in charge of the store he told us that the collar was worth 200 lire, which is $10 in American money. I asked him how they could produce them so cheaply, and he invited us to go through the factory. In this factory were girls and women of ages ranging almost from the cradle to the grave. The younger group were learners and were receiving 4 or 5 lire a day, or 25 cents. Then we went into the next room and we found the mothers of these girls. They were very expert and were perhaps the best in the factory and were receiving 15 to 18 lire a day, or 90 cents. Then we saw the older women, and I naturally supposed they were very expert, and we were told they were in the past but they had devoted practically all their lives to lace making and such close application had badly injured their eyes and they were no longer very proficient, and they were paid from 6 to 10 lire a day, or 50 cents as a maximum.

How does Mr. Wallace expect to keep up the standard of the workers in industry in this country if the tariff is to be reduced, as could be done under this bill, without the advice of the Tariff Commission, or the consent of Congress?

I think there is more need today than ever for the advice of practical men who can study the facts and present them to the President, rather than trying out experiments of theorists and college professors. Manufacturers will hesitate to enlarge their plants or put in new machinery, not knowing when and if they are to be closed as inefficient and put out of business by foreign competition, which would be the result if this bill is enacted into law. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, the paramount object at the present time is to build for national recovery. The pending proposal to give the President authority to conclude tariff treaties with foreign countries without the consent of the Senate is hardly in this direction. Instead of aiding in the recovery eagerly sought by all, it will, through the creation of uncertainty, delay the return to better days. No industry in this country will be safe if this measure passes from the threat of the loss of the home market, the richest market in the whole world.

No enterprise is going to expand if the owner must always keep an eagle eye on Washington, never knowing at what moment, like a bolt of lightning out of the clear, he will find a treaty consummated which would mean the complete collapse of his industry. Everybody knows the slowing up of business which comes every time Congress revises the tariff. The slowing up would be infinitely greater if there is danger of a revision without warning or even an opportunity to voice protest.

The argument advanced for the legislation is that it will mean a larger volume of foreign trade. No one will quarrel with that worthy purpose. Every nation in the world seeks the same thing. I do not believe this legislation will be successful. The proposed effort will be a delusion and a snare.

It will be a delusion because we will not greatly increase our exports. We may conclude treaties with certain countries which will change the current of trade. We may buy more from that country and we may sell them more, but it will be either at the expense of some other country or our home industries. Foreign trade rises and falls as the purchasing power of a country ebbs and flows. That has been demonstrated during these depression years. Our imports have declined proportionately as our exports.

It will be a snare because it will entrap us into agreements which will stand for years, no matter how harshly the treaty may bear down on any industry. If a rate is fixed by Congress or promulgated by the Tariff Commission, it can be readily changed. But when two countries enter into a treaty it will not be subject to change during the length of the agreement.

It has been aptly said in the past the American people never lost a war or ever won a conference. I am afraid that record will be maintained if we go out seeking trade agreements. I fear Uncle Sam will come back from the conference with about as many clothes as would be needed for life in a nudist colony. The clever, wily diplomats of the Old World may have changed their habits, but I am a bit skeptical. They give little but they always demand much.

The advocates of this legislation frankly admit—to sell more abroad, we must increase our purchases. This in itself is an admission the volume of trade in dollars and cents will not be materially increased. It means some products will enjoy a greater market abroad while foreign imports in other commodities will be greatly increased. Then imports will replace home manufacture.

The increased exports will be chiefly in raw cotton. This is not disputed. Other exports will not experience any great stimulant. The advocates of the legislation frankly say the imports will be at the expense of inefficient industries. The determination of these industries must be more or less a personal one.

In the hearings before the committee, a number of industries such as fine textiles, lace, toys, surgical instruments were mentioned as in the class of inefficiency because they could be manufactured more cheaply abroad. It was further stated there were a hundred more industries in the same classification.

Frankly, there is not an industry in this country, unless it be the steel industry, the automobile industry, or some highly specialized industry, but would be in danger. All pay higher wages than their foreign competitors and consequently all have higher costs. If this is the yardstick to determine an efficient industry, there are going to be many heartaches throughout the country and millions of men and women are going to be thrown out of employment.

The cotton-goods manufacturer, the jeweler, the shoemaker, the silversmith, the woolen manufacturer would all come under scrutiny because every one of these industries finds it impossible to exist without a tariff to hold back the flood of imports from Japan and Czechoslovakia, and other countries.

Theorists with a passion for experiments sitting in their comfortable offices might easily, if so determined, classify any industry as economically unsound, and consequently be the basis for increasing our raw cotton export trade. The fact that these industries have been the means of providing the livelihood of countless thousands for generations would be of no avail. The fact that entire communities were dependent for their existence upon the industry might easily be passed over. The planners, dreaming of a new order, might casually decide these people must be sacrificed for the general good, and they would be given transportation and sent to some other part of the country to start life anew.

I can readily visualize a treaty where England would buy more raw cotton from America in exchange for a wider market for finished cotton goods in the United States. An arrangement could be made—indeed, it has already been suggested—that France would listen to an arrangement whereby she could send more lace and finer textiles to this country. Czechoslovakia would be delighted, I am sure, to increase raw-cotton imports if she could send here textiles, shoes, jewelry, and plate glass. Germany and Japan would eagerly grasp the opportunity to buy raw materials needed anyway to send toys, instruments, electric-light bulbs, and numerous small manufactured articles which even now flood our markets.

It may be said we are unduly alarmed. Perhaps we are, but we have every reason to be alarmed from the statements already made before the Ways and Means Committee. These intimations have had a way recently of becoming real.

Many of these small industries are scattered through New England. They give employment in the aggregate to many thousands of men and women. These industries have contributed to the wealth of the country and their employees have been the backbone of the Nation, a strong underlying force in every emergency.

I believe I know the needs of these industries and the working people of my section better than any of these so-called "experts." I believe I can best serve their interests by refusing to place them in peril, as they would be through the passage of this legislation.

Trade off these many thousands of workers and you may as a result sell a trifle more cotton abroad. But you will swell the ranks of the unemployed and swell the relief bill of the Nation. Trade off these workers and you destroy purchasing power at home—purchasing power which contributes to the prosperity of the cotton grower, the automobile manufacturer, and the western farmer, a market more permanent and more satisfactory to you than any you will win abroad. You will possibly win some trade abroad, but you will eventually close a larger market at home.

In seeking the mirage of increased foreign trade let us not forget that our total foreign trade, both imports and exports, in the aggregate totals less than 10 percent of our trade. The exports which we would stimulate are only about 4 percent of the volume and for the most part are commodities which the foreign countries must buy because they can buy here to the best advantage.

Let us be careful we do not destroy the golden home market in our zeal for markets abroad.

If there are any reciprocal treaties which can be of benefit to the United States, they can be made under present conditions. Let them be made, but bring them back to the Senate for review. If they are for our welfare, they will not suffer from the searchlight of examination. If they cannot stand the test of scrutiny, they should be rejected.

There is no need for haste. No emergency exists, otherwise this bill would not have been delayed over a year before being presented. The Tariff Commission possesses elasticity in revising rates, and under the N.R.A. the President has great tariff powers.

Good judgment should prompt us at this time to refrain from a new policy which obviously will help little, and through the uncertainty which it creates will delay recovery.

Mr. GIFFORD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. GIFFORD. I should like to ask the gentleman if he has read one of the comforting things that Mr. Wallace suggested, that we might receive Federal aid while we were being liquidated?

Mr. MARTIN of Massachusetts. I read that, but I am sure our people do not want to risk that. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Iowa [Mr. THURSTON].

(Mr. THURSTON had leave to revise and extend his remarks and include therein three tables prepared by the Department of Labor.)

Mr. THURSTON. Mr. Chairman, the debate on the pending bill has been somewhat extended, but a great amount of valuable information has been offered which will prove of value to both the Members of the Congress and to the public.

However, it was only natural that a considerable part of the discussion should be based upon conclusions rather than facts. So it will be my purpose to mainly deal with known wage levels, rather than the general aspects of the subject matter, so I want to emphasize the importance of giving consideration to the present wage levels in the United States and in some of the principal European nations.

Recently, I requested the United States Department of Labor to compile information as to the wages being paid in certain lines of endeavor in the United States, and in France, Germany, Great Britain, and Italy, and I will have these tables set out in the RECORD to amplify my remarks upon the subject.

First, I desire to direct your attention to the matter set out in table 1, "Wages paid to agricultural workers in the United States and foreign countries in 1932", and you will note that the average wage paid for first-class ordinary laborers in Czechoslovakia is 18.6 cents per day; that in France the wage per day is about 80 cents to 90 cents, and women are employed in the same country for about 60 cents per day. In Germany, the wage for the ordinary male laborer runs about 8 cents or 9 cents per hour; while in Italy the wage per hour amounts to about 7 cents for men and 2½ cents to 5 cents per hour for women.

The farm wage per day in the United States, in 1932, was found to be about 89 cents, or $1.23 if board was included. This wage is abnormally low, and is hardly a fair basis for computation, but these figures are included in the table and so reference is made thereto.

Table 2 contains statistics showing the wages per hour of adult male workers in the building trades in the month of October 1932, and comparable figures are given for the European cities of Paris, Berlin, London, and Rome, and a table is included showing wages paid in the same trades in New York and Philadelphia. This table is particularly interesting because it shows that the wages paid in several lines of skilled endeavor have a wide variation, and in most instances the laborers in the American cities are paid from two to six times as much per hour as the wages paid to persons doing the same class of service in the four European cities mentioned.

Table 3 is a compilation of the earnings in various trades in respective localities in the United States and foreign countries for the year 1931, or the latest available data in this respect. Again it will be noted that the wages paid to skilled laborers, which include bricklayers, carpenters, and painters, show the wages paid in the United States to be from two to six times the wages paid for like service in Europe.

In the coal-mining industry the average daily wage in the United States appears to be $4.90, or more than twice the wage paid in any European country for this hazardous work.

The tables showing the wages paid for labor in China and India further emphasizes the vast differences that exist in the wage levels as between the United States and those Asiatic countries.

If an exhaustive examination were to be made in all lines of human endeavor throughout the world and tables prepared showing labor costs, a mass of statistical matter would be required to explain the details necessary to present an accurate picture of the compensation paid for every character of service. So it would be impractical to make an exhaustive report upon this subject; but I believe that the three tables set out as a part of my remarks will present a concise yet clear picture of the situation and satisfactorily serve the purpose.

Mr. FOSS. Will the gentleman yield?

Mr. THURSTON. I yield.

Mr. FOSS. Can the gentleman furnish us with the hours of labor in this country and those in other countries?

Mr. THURSTON. I do not think the tables indicate the number of hours per day.

Mr. FOSS. The hours that they labor in foreign countries are more than they are in this country, are they not?

Mr. THURSTON. Yes.

Having in mind the great difference in the wage levels in the foreign countries as compared with our own, should not labor, as well as the employer of labor, be entitled to reasonable notice of a contemplated change as is now granted in the present tariff law? "Due notice" is a rule of action that has been indelibly written into the fabric of both personal and property rights in our country.

It is apparent that if we are to make reciprocal exchanges with other nations of the world, at all times we must have in our minds the differences in the cost of labor here and abroad and the cost of the raw article which has been enhanced in value by cheap labor.

While we are dealing with the low-wage levels of the rest of the world we should not overlook the fact that the cost of cargo or freight transportation by water has diminished from 20 to 25 percent in the last 5 years. It is also well known that the maritime nations of the world have greatly increased their ocean-going tonnage, and that a considerable portion of these ships are not being operated at this time, so we may assume that ocean freight rates will not increase and are more likely to be reduced.

As distinguished from the reduction in sea-borne commerce, freight rates in the United States have not been reduced in recent years; and, in fact, during the last 15 years have been considerably increased. So that the interior sections of the country are at a very great disadvantage in bringing their products to the eastern seaboard or the consuming section of the country.

Today practically any article of commerce can be shipped from Australia, or Central or South America, to a port on our Atlantic seaboard for a lesser charge than a like article can be transported from the State of Iowa, in the center of the Upper Mississippi Valley, to an Atlantic port. This rate barrier may not properly be called a tariff, but it is a charge that must be added to the selling price of agricultural products.

The duties under the existing tariff act have been reduced 40 percent on account of the revaluation of the American dollar, so when we consider existing facts as distinguished from conclusions, and know that the wage levels in other countries are from 50 to 90 percent lower than the wages paid in our own country, and that the lowest ocean freight rates of modern times are now in effect, plus the diminished value of our own dollar, we are all perplexed to know how we can limit or hold down the importation of the industrial and agricultural products from these cheap-land—cheap-labor countries.

To divert from facts and to enter the field of conclusions, it seems to me, that if the owner of an industry knew that he might be further subjected to foreign competition in the products turned out by his own concern, prudence would require operation on a basis of immediate sales, rather than building up a surplus of finished articles during the low-

demand period, and that employment would be more intermittent and less continuous than heretofore.

Then the question should be: Is the possibility of effecting some desirable reciprocal arrangement affecting a few or a limited number of commodities, of more value to our economic structure than this uncertain proposal?

Because of the great concentration of power in the Executive branch of the Government, it would appear that already the person who is called upon to fill this responsible position has a great multiplicity of duties, and exceedingly important duties, that should not be further increased or extended by the enactment of the pending measure. [Applause.]

The matter referred to above is as follows:

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, March 5, 1934.

Hon. LLOYD THURSTON,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN THURSTON: With reference to your request made by telephone for statistics of wages paid, particularly in agriculture and the building trades, in the United States, Czechoslovakia, France, Germany, Great Britain, Greece, and Italy, I am enclosing herewith tables and certain issues of the Monthly Labor Review.

Table 1 brings together statistics of wages paid to agricultural workers in the above-mentioned countries for 1932, with the exception of Greece, for which no figures are available. The figures shown have been taken from official sources and have previously been published in the Monthly Labor Review.

Table 2 shows hourly wages of adult male workers in the building trades by cities for 4 of the foreign countries mentioned and for 2 cities in the United States. This material likewise comes from official sources and has been collected by the International Labor Office.

As you know, the Bureau of Labor Statistics makes periodic surveys of wages in the United States and collects and publishes information as to wages in foreign countries. Practically all issues of the Monthly Labor Review include the results of wage studies, of which the following (being sent under separate cover) may be useful to you, as they contain comprehensive wage material covering the foreign countries for which you seek information and the results of recent studies for the United States:

MONTHLY LABOR REVIEW, 1933

September: Wages in Germany in 1933 (pp. 686–708).
July: Summary of wage surveys of Bureau of Labor Statistics, 1928 to 1932 (pp. 140–143).
June: General survey of wages in Italy, 1932 (pp. 1395–1411).
April: General trends in wages in Great Britain since 1924 (pp. 871–907).
March: Wages in France in 1932 (pp. 624–643).
February 1932: General survey of wages in Czechoslovakia (pp. 374–392).

Since wage reports for different countries vary so often as regards the unit of payment (hourly, weekly, piece, time, etc.) and also as to occupational names and classifications, deductions for social insurance, and additions, such as family allowances, the possibility of direct international comparison is limited. The results of a comparison of this kind are shown in table 3, enclosed.

Very truly yours,

ISADOR LUBIN,
Commissioner of Labor Statistics.

Enclosure.

TABLE 1.—*Wages paid to agricultural workers in the United States and foreign countries in 1932*

Country and class of worker	Unit of time	Unit of currency	Amount	Conversion rate	Amount in United States currency
CZECHOSLOVAKIA [1]					*Cents (unless otherwise indicated)*
Basic wage for ordinary labor:				*Cents*	
Permanent workers:					
Class 1	Day	Crown	6.30	Crown=2.96	18.6
Class 2	do	do	4.50	do	13.3
Class 3	do	do	3.20	do	9.5
Seasonal workers:					
Class 1	do	do	6.90	do	20.4
Class 2	do	do	4.75	do	14.1
Class 3	do	do	3.45	do	10.2
FRANCE					
Average wage for males:					
Laborers	do	Franc	22.35	Franc=3.92	81.0
Farm hands	do	do	20.75	do	81.0
Teamsters	do	do	23.00	do	90.0

[1] Figures for 1931. Workers receive payments in kind in addition to money wage.

TABLE 1.—*Wages paid to agricultural workers in the United States and foreign countries in 1932*—Continued

Country and class of worker	Unit of time	Unit of currency	Amount	Conversion rate	Amount in United States currency
FRANCE—continued					*Cents (unless otherwise indicated)*
Average wage for females:				*Cents*	
Laborers	Day	Franc	15.38	Franc=3.92	60.0
Farm servants	do	do	14.72	do	58.0
GERMANY					
Average rates of male labor:					
Money wages	Hour [2]	Pfennig	21.35	Pfennig=.238	5.1
Payments in kind	do	do	15.32	do	3.6
Total wages	do	do	36.67	do	8.7
GREAT BRITAIN [3]					
Minimum rate for—					
35 districts, adult males.	Week	Shilling / Penny	30–32/6	Shilling=16.4.[4] Penny=1.37.[4]	$4.92–$5.33
All districts, adult females.	Hour	Shilling / Penny	0/5–0/6	Shilling=16.4.[4] Penny=1.37.[4]	7.0–8.0
ITALY [5]					
Wages in Province of Florence: [6]					
Males	do	Lira	1.35–1.45	Lira=5.26	7.1–7.6
Females	do	do	.50–.99	do	2.6–5.2
Boys	do	do	.55–.75	do	2.9–3.9
UNITED STATES [7]					
Average wage rate:					
With board	Day				$0.89
Without board	do				$1.23

[2] The working day averages 9 hours but in summer nearly 11.
[3] England and Wales. Cash value of payments in kind, lodging, etc., may be deducted from wages.
Exchange rate.
[5] Figures for 1931–32.
[6] This Province has a higher pay scale than other parts of Italy. A farm laborer is entitled to food and drink and may receive lodging.
[7] These rates are as of July 1, 1932. Rates for July 1, 1933, are $0.82 and $1.12, respectively.

Source: Monthly Labor Review, February 1932, p. 389; 1933: April, pp. 906–907 June, pp. 1394, 1407; August, p. 376; September, p. 707.

TABLE 2.—*Wages per hour of adult male workers in the building trades in October 1932*

[Conversions into United States currency on basis of par value of franc=3.92 cents, mark=23.8 cents, lira=5.26 cents, and average exchange rate of shilling=17 cents and penny=1.42 cents, as of October 1932]

Occupation	Hourly wages					
	Paris [1]	Berlin	London [2]	Rome [3]	New York [4]	Philadelphia [4]
	Francs	*Marks*	*Shillings and pence*	*Lire*		
Bricklayers and masons	6.25	[5] 1.09	1/7½	2.98	$1.65	$1.50
Structural-iron workers			1/6½		1.50	1.38
Concrete workers		[5] 1.09	1/3	3.35	[6] 1.40	[6] 1.05
Carpenters and joiners	6.18	[5] 1.10	1/7½	3.05	[7] 1.25	[7] 1.05
Painters	5.85	1.00	1/6½	2.98	1.40	1.00
Plumbers	6.25	1.16	1/7½	3.27	[8] 1.40	[8] 1.04
Electrical fitters		[9] 1.11	1/9¾	4.45	[10] 1.65	[10] 1.50
Laborers (unskilled)	5.35	.90	1/2¾	2.45	.65	.50
[In United States currency]						
Bricklayers and masons	$0.25	[5] $0.26	$0.28	$0.16	$1.65	$1.50
Structural-iron workers			.26		1.50	1.38
Concrete workers		[5] .26	.21	.18	[6] 1.40	[6] 1.05
Carpenters and joiners	.24	[5] .26	.28	.16	[7] 1.25	[7] 1.05
Painters	.23	.24	.26	.16	1.40	1.00
Plumbers	.25	.28	.28	.17	[8] 1.40	[8] 1.04
Electrical fitters		[9] .26	.31	.23	[10] 1.65	[10] 1.50
Laborers (unskilled)	.21	.21	.21	.13	.65	.50

[1] More frequently paid wage or current wage.
[2] Time rates of wages.
[3] Actual wages, July 1, 1932.
[4] Union wage rates.
[5] Including tool allowance.
[6] Cement finishers.
[7] Carpenters only.
[8] Plumbers and gas fitters.
[9] Not including family allowances.
[10] Inside wiremen.

Source: International Labor Office. International Labor Review, June 1933, pp. 817–838.

TABLE 3.—*Earnings in various trades in representative localities in the United States and foreign countries*

[Data for 1931 or latest available year; all conversions into United States currency are made at par]

Country	Bricklayers	Carpenters	Painters	Hand compositors, printing	Iron molders	Iron and steel, all workers	Weavers, cotton, males	Mining, coal, all workers	Common laborer, metal trades
	Hourly	*Hourly*	*Hourly*	*Hourly*	*Hourly*	*Weekly*	*Weekly*	*Daily*	*Hourly*
United States	$1.70	$1.40	$1.48	$1.17	$0.71	$34.58	$16.67	$4.90	$0.42
Austria	.24	.23	.27	.21	.17		4.78		[1] [2] 6.75
Czechoslovakia	.15	.14	.17		.20	7.40		1.49	[1] 5.64
France	.26	.25	.26	.26	.26	9.01		1.53	.17-.19
Germany	.37	.37	.36	.29	.30	12.39	7.57	2.28	.17
Great Britain	.41	.41	.39	.45	.32	14.58	8.05	2.40	[1] [3] 12.41
Italy	.16	.16	.16	.19	.15				.12-.14
Japan	.13	.10	.12	.16	.15		2.80	.83	
Portugal	.09	.10	.10	.12	.10	[4] .53-.88	[4] .57-.80	.38-.80	[4] .53
Spain	.29	.29	.31	.30	.31		[5] .26		.20
Sweden	.85	.76	.80	.43	.47	12.51		2.13	[6] .21
	Daily	*Daily*	*Daily*			*Daily*	*Hourly*	*Daily*	*Daily*
China	$0.30	$0.32	$0.33-$0.35	[7] $3.00-15.00		$0.12-$0.23	$0.03	$0.12-$0.20	[8] $0.17
	Monthly	*Monthly*	*Monthly*	*Monthly*	*Monthly*		*Monthly*		*Monthly*
India	$10.33	$20.08	$10.49	$10.95	$13.98		$10.59		$6.95

[1] Weekly.
[2] Foundries only.
[3] Blast furnaces only.
[4] Daily.
[5] Hourly.
[6] Machine shops only.
[7] Monthly with board and lodging.
[8] Shipbuilding in Ningpo.

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, in the Constitution of the Commonwealth of Massachusetts there is embodied a provision reading as follows:

> In the government of this Commonwealth the legislative department shall never exercise the executive and judicial powers or either of them; the executive shall never exercise the legislative and judicial powers or either of them; the judicial shall never exercise the legislative and executive powers or either of them; to the end it may be a government of laws and not of men.

"A government of laws and not of men"—the guaranty and the safeguard of democracy.

During the past year we have witnessed the hasty enactment of measure after measure, departing from this principle of democratic government—measure after measure leading away from a government of laws in the direction of a government of men.

The bill under consideration is a further example of legislation of this character, a further example of a sweeping delegation of legislative power to the Executive—power which the forefathers entrusted to the legislative branch of the Government and never intended to be exercised by the Executive.

Despite the fact that the Federal Constitution expressly provides that Congress shall have the power "to lay and collect taxes, duties, imposts, and excises", the bill under consideration would delegate this power to the Executive with respect to tariff duties with almost no limitation upon the exercise of Executive discretion within the authorized 50-percent variation.

Despite the fact that the Constitution expressly provides for the submission to the Senate of all treaties with foreign governments, no treaty becoming effective in the absence of ratification by the Senate, the bill under consideration would authorize the Executive without such ratification not only to negotiate but to conclude trade agreements with foreign nations carrying with them the most profound consequences for American industry and American labor with no advance information whatsoever as to their character or content, with no opportunity whatsoever for a day in court for those who may be adversely affected.

The request for this legislation has been characterized as "casually asking Congress for power personally to negotiate and conclude tariff treaties without their submission to the Senate for ratification; without recommendation or guidance by the Tariff Commission; without check from any quarter; without the concurrence of any other person or official body; without revealed method or proven principle or established precedent or even thorough survey of the facts."

The proposed legislation is open to objection on constitutional grounds. It goes far beyond the requirements for reasonable flexibility. It carries with it the possibility of grave consequences for American industry and American labor.

Enactment of the bill in its present form will place the power of life and death with respect to many an industry in the hands of a single individual. It will carry with it for the workers of the Nation the possibility of all the dangers inherent in the displacement of American products by products manufactured abroad under reduced labor costs and reduced standards of living. It will, in my judgment, contribute materially to the underlying uncertainty which is serving to retard national recovery.

For some time past industry has suffered by reason of fundamental elements of uncertainty—uncertainty as to costs of production under the licensing power of the National Recovery Act; uncertainty as to the value of the dollar under the reservation of the right to vary that value to the extent of 16⅔ percent under the monetary bill. These are but examples of elements of uncertainty, serving, in my judgment, to deny to industry the full benefit of forces of recuperation which have been endeavoring to assert themselves throughout the world for over a year and a half. Recovery, in my judgment, is impossible in the absence of industry free from uncertainty and undue restriction—in the absence of industry given a sound basis for confident action.

The entire weight of the administration has been thrown behind a policy involving inevitably increasing costs of production. Any general tariff revision downward seems utterly inconsistent with that policy. The administration has reserved to itself the right to change the value of the dollar overnight to the extent of 16⅔ percent. Any general tariff revision on a scientific basis seems out of the question in the light of that reservation.

I cannot conscientiously vote for the bill in its present form. I cannot vote to expose the industries and workers whom it is my privilege to represent to the possible dangers inherent in its terms. I cannot vote for complete abdication of powers with respect to taxation of powers with respect to treaty making which the forefathers in the interest of the Nation intrusted to the legislative branch of this Government. I cannot vote for this further step away from a government of laws in the direction of a government of men. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield to the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK of New York. Mr. Chairman, I have not been in the habit of taking up the time of the House or filling the pages of the RECORD with my views on pending legislation. My opinions for the most part have been expressed in monosyllables, either "aye" or "no", and for the past year I have generally said, "no." The only effective thing I can say on the present bill will be my "no" when the roll is called. The measure before us is of such vital importance to the district I represent I am impelled to make a few remarks, even if it is to empty benches.

The people of the city in which I live and in the surrounding farming territory are dependent for existence almost en-

tirely upon factory pay rolls. When the factories are busy many thousands of men and women employees are happy. They have money to spend for food and clothing and rent. Our own merchants, farmers, and landlords prosper, and our purchasing power benefits and stimulates business everywhere in the United States. Most of those industries have been built up under the protection of tariffs and cannot exist without tariffs.

I assume that our local manufacturers of furniture, steel, clothing, shoes, chemicals, candles, cutlery, and hundreds of other articles are inefficient, under the definition of Secretary Wallace, because they cannot meet the prices of foreign competitors. In the country districts the farmers are engaged largely in raising fruits, vegetables, poultry, and eggs, and in dairy farming. They likewise need tariff protection and are therefore inefficient, according to the internationalistic philosophy of the men in control of this Government, alleged to have extraordinary brain development.

So far as I can now recall the only major business in my district which is efficient is the typewriter industry. Foreign competitors cannot yet compete successfully with the American typewriter manufacturers because they have not a comparable product, but I am told that certain foreign competitors are making improvements rapidly and when they are able to invade our markets, my typewriter friends automatically become inefficient, if we accept the strange new American doctrine of the President's pedagogical prodigies. We have had protective tariff laws in this country since the first Congress. It was one of Abraham Lincoln's planks when he ran for President. We have become something more than a nation of serfs and peasants because of them. "Infant industries", an expression which inspires our Democratic friends to pleasantries, were born when the inventive enterprising spirit of America was wedded to the protective tariff. The infants became giants and can compete with the industries of the world in the quality of their products, but they cannot meet the prices of foreign manufacturers because American wages and the American standard of living grew with industrial development beyond that of any other nation. This is the explanation of the inefficiency which this administration hopes to eliminate.

But can it be eliminated? If necessary tariff protection is taken away, American manufacturers must reduce costs of production to those of their foreign rivals or close their doors. Labor must accept wages only a little above the wage scale of Europe and the Orient. In no country on earth are the wages so high or the hours so short as in America. Every decent person in this country, except the internationalist, respects the honest American laborer and artisan and wishes to give him a greater share of the good things of life, but if protective tariffs are removed, the American workingman must come down to the level of his foreign rival or lose his job. The latter will be his fate, because under the N.R.A. foreign labor conditions are impossible in this country.

Let me give a specific example of what this new recovery step means. A protagonist of the new deal has cited cutlery as one of the American industries that ought to be sacrificed. In a village in my district there is a factory making cheap pocketknives. It employs about 300 men and is the sole industry in that fine little American village. It is doing business because the much-reviled Smoot-Hawley tariff law provides for a duty of 1¼ cents each and 50 percent ad valorem on pocketknives, and because an efficient management, an intelligent group of workers, the most modern machinery, and minimum wages make it possible to compete with German manufacturers. If the tariff is reduced that factory must close. Little boys will not buy their knives any cheaper when this factory and the others in America like it are put out of business. The price will go as high as the traffic will bear, and 300 families in one little village will be pauperized.

What is to become of these people? Accept, if you will, the planned economy theories of the Federal faculty and ignore the feelings which cause human beings to form deep attachments to the hills and valleys of the country where they were born and lived their lives. The comparatively small group I have referred to cannot go to Germany to manufacture pocket knives; they cannot raise cotton, wheat, hogs, corn, even if they know how. There is already a surplus in these crops and the A.A.A. would stop them before they started.

The situation I have described may be multiplied several thousand times if this bill becomes a law and the internationalistic theories of Wallace, Tugwell, Ezekiel, Frank, and Frankfurter, the men behind the throne, are put into effect.

Apologists for this administration would have the country believe that the bill before us is a slight modification of the existing flexible provision in the Tariff Act of 1930, which has been sustained by the Supreme Court. Here is the essential language in that act: The Tariff Commission—

> Shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings * * *. The Commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production * * *. The President shall by proclamation approve the rates of duty * * * specified in any report of the Commission under this section, if in his judgment such rates of duty and changes are shown by such investigation of the Commission to be necessary to equalize such differences in costs of production.

The law limits the increase or decrease of any duty to 50 percent of the rates fixed by statute. That provision authorizes the President to raise or lower the duties fixed by Congress on imported articles, so that American producers of farm produce or manufactured articles may have protection in the amount of the difference between the cost of production at home and abroad, under changing conditions. He may exercise this authority only upon the report of a fact-finding body which is required to hold public hearings and give parties interested an opportunity to protect themselves against hasty and ill-considered action.

The corresponding language of the bill before us—skipping the long preamble and apology—authorizes the President—

> To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and to proclaim such modifications of existing duties and other import restrictions as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

For some inexplicable reason, unless it is to hoodwink people into believing there is similarity between the bill and existing law, the President cannot change existing duties by more than 50 percent under the proposed law. An arbitrary reduction of 50 percent in the duty on almost any imported article would be as effective as 100-percent reduction in destroying the American producer of that article.

It should be noted that the bill empowers the President to raise or lower duties without the investigation and report of any fact-finding body, without regard to the difference in the costs of production at home and abroad, without public hearings, without affording labor and industry an opportunity to fight for their livelihood, without giving public opinion a chance to be formulated and its influence to be felt.

It is utterly futile to discuss constitutional questions in this Congress. The bill plainly violates the Constitution in three particulars: It surrenders to the President the duty of Congress to regulate foreign commerce, the exclusive function of the Senate to ratify treaties with foreign nations, the exclusive prerogative of the House to originate revenue bills. This administration and its supine, complacent, and obedient majority in Congress apparently cares nothing for the safeguards that our forebears struggled for centuries to acquire.

The bill before us when enacted into law will give the President more power than any potentate of any nation has ever had in modern times. Behind closed doors, in secret,

without notice, he may give the butter market of this country to Denmark, cheese to Switzerland, steel to Sweden, shoes to Czechoslovakia, chemicals to Germany, woolens to England, beef to Argentina, silk to France, wine to Spain, china to Italy, lumber to Russia, sugar to Cuba, and Heaven only knows how many American industries may be sacrificed for the benefit of Japan.

You Democrats have attempted to deify the President. You have rendered him a great disservice. The only men who can remain on pedestals long are dead. You can see nearly a hundred of them in Statuary Hall. Much as I admire the President as a man and a patriot, I am not willing to give him, or any President, the autocratic power contained in this bill.

In the hearings held by the Ways and Means Committee on this bill, I find a partial list of dutiable articles which foreign countries are deemed by the Tariff Commission to produce more advantageously than the United States. On that list are certain chemicals, china, wire cloth, pocket cutlery, filler tobacco, cheese, eggs, berries, grapes, beans, peas, tomatoes, cucumbers, eggplant, silk fabric, and several hundred other articles. The articles I have specifically mentioned are extensively produced in my district. The blanket clause at the foot of the list may include every other product of our factories and farms. I do not know what is in it. But I know this: I will never consent to giving the President or Professor Frankfurter's Phi Beta Kappa brigade the power to destroy the livelihood of any manufacturer, farmer, or workingman in my district without a hearing.

Ever since the Smoot-Hawley Tariff Act was passed, Democratic spellbinders have inveighed against its alleged iniquities. No Republican claims perfection for it. Congress, in the very nature of things, cannot enact any tariff measure that does not reflect compromises and coalitions between the divergent interests we represent here.

We have been honest enough to admit to ourselves that the widely advertised logrolling methods employed when a tariff bill is before Congress results in an unscientific law, and we have inserted the flexible provisions so that the President, who represents all our districts, may with the assistance of a nonpolitical Tariff Commission correct the inequalities of the law and make import duties conform with the declared purpose of our tariff legislation. The protective tariff law on the statute books is being savagely attacked, but no attempt is being made to correct its alleged defects through the legal machinery that has been set up. Instead, the President asks Congress to give him absolute authority, beyond his constitutional functions and contrary to the law of the land.

Mr. Chairman, millions of Americans are beginning to ask how far this bewildered Congress will go in surrendering its constitutional powers to the revolutionary group in the executive branch of the Government. It is not a partisan question. As the administration program unfolds there is increasing evidence of rebellion against what the President euphemistically describes as a "permanent readjustment of many of our social and economic arrangements." There are more conservatives, more constitutionalists, on the Democratic side of this House than there are on the Republican side; not so many in proportion perhaps but more numerically. All of you profess to admire Jefferson, Jackson, Cleveland, and Wilson; most of you believe in their political philosophy. I know it from my daily contacts with you outside this Chamber. You are not radicals. How long will you permit yourselves to be beguiled by the artful and adroit use of disarming words?

It is not the Republican Party that is being destroyed in this fateful year; it is the Democratic Party. We on this side of the aisle are standing steadfastly for American ideals. We wish to eliminate the inequalities and injustices in our economic and social structure. Every thoughtful person knows that the greed and avarice of stupid men in favored positions have produced conditions which can no longer be tolerated. But we are not willing to sink the ship to destroy a few rats on board. We wish to preserve for our children a country where equality of opportunity for success in any useful field of endeavor is open to all our boys and girls, and where individual liberty is limited only by the requirements of a well-ordered society.

There is not any dispute between Democrats and Republicans on those two propositions when they speak frankly; but as long as the Democrats in Congress are anesthetized by the speeches of the floor leader ending in "stand by the President", and intimidated by the Speaker's blacklist, there can be no stopping of the program that is leading us straight toward Communism, which denies all liberty and is the worst form of autocratic government the world has ever seen.

Mr. Chairman, there is a rapidly growing number of worried people in this country praying that the Democrats will return to their party principles and election pledges.

The President recently said:

> In common counsel and common purposes we shall find the corrective of a present unhappy tendency to look for dictators. The wisdom of many men can save us from the errors of supposed supermen.

If you accept that doctrine, you will vote against this bill. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, the daily press and a number of my colleagues have become greatly exercised over the disclosures made by Dr. Wirt of Gary, Ind., to the effect that a group, strong in the administration, is actually working toward a revolution subversive of this Government and that President Roosevelt is the Kerensky of this movement, the intimation being that his regime will be short-lived, and that it will be soon followed by a violent overturn of the Government with communism in control.

While statements of this kind made by such an eminent authority deserve investigation, I am not one of those who believe that the American people will turn toward drastic action of this nature. I do not believe that Professor Tugwell has a secret supply of machine guns in his residence, nor do I believe that Dr. Ezekiel carries bombs around in his pockets. I doubt if any of the disciples of Felix Frankfurter, sometimes referred to as the "hot-dog boys", have as yet been selected as the Lenin and Trotsky of the forthcoming October revolution.

I do believe, however, that we have embarked, and are proceeding further each day on a course of governmental regimentation which, if followed to its logical conclusion, will bring about a change in our form of government almost as great as that accomplished by those famous followers of Karl Marx to whom I have referred. I believe further that there is an active group of radicals—call it the "brain trust", or what you will, which is intentionally, though quietly, working toward bringing about this complete change in the form of our Government. If citizens such as the good Gary school teacher are helpful in focusing attention on these trends, they will have performed a real service.

In the course of the last Presidential campaign Mr. Hoover made a speech in which he predicted that certain results would follow logically from some of the policies which his opponent enunciated. Mr. Hoover was often and wrongly quoted as having said that if Mr. Roosevelt were elected the grass would grow in a thousand streets. He did not say this. He did say, however, that if some of the policies which Mr. Roosevelt apparently supported were carried to their logical conclusion, then the grass would grow in a thousand streets. At the time much capital was made of this speech. Mr. Hoover was ridiculed as a man who had lost all sense of proportion, as one who would go to any foolish extreme in attacking his opponent's policies, but I am wondering whether, to the thinking man today, Mr. Hoover was far wrong. I give it as my considered opinion that if we pursue very much further the course on which we have embarked then most assuredly will the grass grow in a thousand streets.

We are now being asked to turn over to the President the right to make or break an industry without any delineation of the method by which the facts shall be collated on which

he bases his actions; without any disclosure of the course of reasoning which should guide him in his decision; without any provision that the groups, large or small, capital or labor, whose very existence may hang in the balance, shall have the slightest right of protest or even of appearance to plead their case. If the test which the Secretary of Agriculture has laid down is to apply, the President shall have before him but one question, "Is the industry involved efficient?" And in this test of the efficiency of a particular industry the question of the cheapness with which it can produce is to be considered paramount.

Imagine for yourself the small town of one industry, and there are many of them in this country. Some adviser to the President, we do not even know how selected, from what Department, or even whether he is to be connected with the Government, gives him information as to the so-called "inefficiency" of such an industry, perhaps, forsooth, because those conducting the industry are trying hard to keep up their pay rolls to help their employees, or perhaps because the N.R.A. has compelled them to adopt certain wage scales and hours which require a certain selling price to keep alive.

Or perhaps some foreign country which has an exportable surplus of the particular article manufactured in this town offers some sort of a mutual arrangement for the import into that country of certain American goods, which arrangement appears to some other advisor of the President as a general advantage to the foreign commerce of the United States. Acting on the advice of one or the other of these gentlemen, the President reduces by 50 percent the duty on the particular article produced in the town to which I refer. By the inexorable operation of the law of supply and demand the foreign goods which thus come in make it impossible for the industry in question to compete further. This American plant, backed by American capital, employing American workmen, must close its doors, all for the benefit of a foreign plant, backed by foreign capital, and employing foreign workmen. Is there any doubt but that if enough of this kind of thing happens the grass will eventually grow in a thousand streets?

Do not misunderstand me. I do not say that the present tariff is perfect. There are undoubtedly some schedules which should be revised downward—some perhaps upward—but to give this power into the hands of one man, be he ever so able, public-spirited, and industrious, is casting on him a burden which he must perforce delegate, perhaps to a totally irresponsible subordinate.

It is a familiar argument on this floor, presented by administration supporters, that it is safe and satisfactory to give these enormous powers to the President, because he is such a great leader, has such wonderful judgment, and will, of course, exercise these powers with the greatest care and for the greatest good of the country. Such an argument shows a very naive view of the office of the President. Is there anyone who believes that the President can personally attend to the multifarious duties which have been cast upon him? Even in normal times the great majority of the Chief Executive's work must be delegated, and in times like these where new duty after new duty has been placed on his shoulders, no mortal man would be capable of attending personally to everything. It naturally follows that the great majority of these duties must be delegated, even though the Executive Orders which follow bear the President's signature. The question, however, of whose advice is being followed, or who prepared the Executive Orders, is usually shrouded in deep mystery. Under the proposed bill the very lifeblood of the industry of a particular locality may be within the control of some one of the group of gentlemen against whom we are now being warned.

The present bill is really another manifestation of the way in which administration measures are inextricably mixing the question of recovery and that of social change. We all want recovery, and we want it as soon as possible. I doubt if many people in this country want basic changes made in the social and economic structure of the Nation. Moreover, such great changes are calculated to retard rather than advance recovery. We all want business to go forward, but it is axiomatic that business must necessarily languish in times of economic and social transition. Business must have reasonable certainty in order to prosper, and such transition brings nothing but uncertainty. If we review many of the chief administration measures adopted during the past year we see a continual development of this phenomenon.

A typical example of this is the Bankhead cotton bill just passed by this House. Last spring we had provided that certain agricultural commodities should be established as basic; that a processing tax should be levied for the benefit of those producers of these basic commodities who would voluntarily curtail their acreage. Serious objection though there might be to such a bill because of the fact that all consumers of the processed commodity would pay the tax for the benefit of the producer, there was at least no compulsion.

In the Bankhead bill, though concealed under the laudable argument that something must be done to protect the majority of the producers of cotton against the antisocial producer who is unwilling to cooperate, as a matter of fact, the vicious principle of compulsion first rears its ugly head. If the Government may exercise the power to tell the owner of a piece of property arbitrarily what he may or may not produce, what is to prevent the Government from taking equal action with respect to all production, both agricultural and industrial? Is this such a far cry from the Russia of today?

The securities bill passed last spring was ostensibly to protect the investor against himself, but here again the concealed vice of the measure was that it made new financing practically impossible, resulting in the drying up of the stream of long-term credit which industry needs to go forward. Is it beyond the realm of imagination that this may have been the actual purpose of the framers of the legislation? Long-term financing industry must have. If it cannot receive it elsewhere it must get it from the Government, and if it gets it from the Government, the Government can make whatever restrictive conditions it may choose.

The proposed securities exchange control bill is another step along the same lines. Here again is the surface appeal of protecting the investor from stock manipulation, but the basic, though concealed, principle is to place the Government in a directory position over all large industries. Is it beyond the realm of imagination that the unknown but powerful drafters of this legislation visualized this as another step in the social revolution?

The gold devaluation bill was another typical example. Most people looked at it solely as a revaluation of the dollar; whereas its concealed purpose was a direct and vital blow against the Federal Reserve System. Is it too much to imagine that the framers of this act had the cold, calculating purpose of crushing the Federal Reserve System, and thus making the central banking institution of the country a branch of the Government itself with all the political possibilities and consequences which have been found so disadvantageous wherever this system has been adopted?

Mr. Chairman, it may be argued that any single one of these steps does no immediate harm, and is justifiable in times of emergency. The accumulated effect, however, is far-reaching and yet the approach has been so insidious that the people of the country have not yet waked up to what is happening. When they do wake up they may be faced with an accomplished fact, and it will then be almost impossible to turn back the hands of the clock and retrace our steps. We may find ourselves completely in the control of an absolute centralized authority, which is a polite way of saying "dictatorship." That word may shock us, but if we become long enough used to the circumstance, the name will thereafter mean little.

A well-known quatrain from Pope seems to be most pertinent to this situation:

> Vice is a monster of so frightful mien,
> As to be hated, needs but to be seen;
> Yet, seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

Mr. Chairman, it is so with dictatorial authority. Though we may resent it when first presented, when we are faced with it day after day, approaching us first from one direction and then from another, we finally become used to it, and thereafter remain supine and contented. That is the tendency today, and if that tendency remains long unchecked, our American liberty is gone forever. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 8687, the Tariff Act of 1935, had come to no resolution thereon.

EXTENSION OF REMARKS—H.R. 8687

Mr. HENNEY. Mr. Speaker, it is universally conceded that we have witnessed and are still in the greatest financial depression that has ever engulfed this Nation. Forty-two years ago this Nation experienced a similar depression, and during those years our agriculture and industry suffered in very much the same manner and to approximately the same extent as we are now suffering. Our banking institutions and finances in general were in a deplorable state.

I well remember that one of the chief controversial matters during the McKinley and Bryan campaign of 1896 was that of expanding our commerce and particularly our foreign trade. During his administration President Cleveland advanced precisely the same argument and took exactly the same stand against reciprocal tariffs and foreign-trade agreements that is taken today by the leadership of the Republican Party; and at that time, 1896, William McKinley, who was then a candidate for the Presidency of the United States, took exactly the same position that President Franklin D. Roosevelt is taking today. Following the election of 1896 President McKinley entered into many trade agreements and reciprocal tariff arrangements with foreign countries. Those of us who are members of the Democratic Party and who remember well those hectic days are glad to voice our opinion that, following these reciprocal agreements entered into by the McKinley administration, prices in general began to advance. The farmer, instead of $2.50 per hundredweight for hogs, received a gradual increase until in 1900 he was selling his hogs for 5 and 6 cents per pound. All other agricultural commodities followed suit. Our foreign exports of agricultural commodities was built up under the McKinley administration until in 1898 it reached approximately $1,000,000,000 per year, which was the high point in the history of this Nation, and I might say is approximately three times that which it is today, although during those 35 years the population of this country has approximately doubled and the wealth of the country is more than four times what it was at that time.

There is an old Latin phrase used in logic "post hoc ergo propter hoc", which translated means "coming after and therefore due to it." Whether this may be considered a fallacy or not, the cold fact remains that it was the contention of the Republican Party in 1896 that reciprocal tariff trade agreements would increase the foreign commerce and in turn would aid the American farmer in disposing of his surplus crops and would thereby assist in advancing the prices of American crops. And whether or not we accept the benefits which followed that program as due to the tariff policy of President McKinley, the fact remains that the treatment applied seemed entirely successful. Today we find the two parties have absolutely changed their positions in that the party of Franklin D. Roosevelt is advising that we return to the policies followed by President McKinley in building up our foreign commerce, and the Republican Party of today is alined solidly behind the arguments advanced by President Cleveland and the policy which he pursued. Certainly it would seem the part of good judgment to return to that program which we believe was largely responsible for the prosperity which followed the McKinley administration and assuming that it was at least in part responsible for that prosperity, to again give it a trial.

Much criticism has been advanced during the past few days of Secretary of Agriculture Wallace's testimony before the Committee on Ways and Means. I wish to quote here some of the statements made by the Secretary, but before doing so I want to state emphatically that President Roosevelt and not Secretary of Agriculture Wallace will in the last analysis be the one who will control and correlate this program. I might well quote Secretary Wallace's statement on page 53 of the hearings, in which he stated as follows:

> Mr. WALLACE. It seems to me, sir, that the essence of the new deal, if I may be permitted to say it, is to take account of human rights. It would seem to me, also, that a man of the character of the President, in administering powers of this sort, would not be so inhuman as to retire in any barbarous way, such as you seem to contemplate, inefficient industries.

On page 45 of the hearings Secretary Wallace gave as his opinion that tariffs which are high tend to the production of unemployment in the efficient industries. The reason why this is true is because under the high-tariff program of the last administration approximately 50 foreign countries built up tariff walls against our export industries to such a height that it was absolutely impossible for them to continue their foreign trade, and therefore, although these industries had been highly efficient in the past and well able to compete with foreign manufacturers, still these barriers put them out of business, so to speak, and produced a tremendous unemployment in these highly efficient industries. His statement is as follows:

> For my own part I believe it is important for the Congress to realize that high tariffs cause unemployment just as surely as low tariffs, perhaps even more certainly. It is just a question of where the unemployment is to be. In the case of high tariffs, unduly high tariffs, the unemployment is in the efficient industries which have been able to produce goods for the export markets. In the case of the low tariffs the unemployment would tend to be in the inefficient industries which are exposed to competition from abroad. Now, while that is a general statement of philosophy it is not a statement that necessarily applies immediately, and it would seem to me in the action under this particular bill, in case it became an act, it would be necessary to take into account the human problems involved in the case of the specific industry so that the matter would be handled not in a jerky, sudden way, but in a way that would do justice to the humanity which might be exposed too suddenly to foreign competition.

Much stress has been laid upon the statements of Secretary Wallace as to what he referred when speaking of inefficient industries, and particular stress has been laid by some of the members of the committee to the sugar-beet industry and other manufacturing industries which have required a subsidy in the matter of high protective tariffs during the past few years in order that they might continue in business. I wish to quote Secretary Wallace from page 55 of the hearings with respect to his opinion as to the application of reciprocal tariffs to agriculture. Mr. REED of New York asked:

> Would you lower the tariffs, for instance, on butter, milk, eggs, wheat, and all these farm products? Do you think that would benefit the situation now?
>
> Mr. WALLACE. Why, obviously lower tariffs on agricultural products would not benefit agriculture in those cases where they are effective. The butter tariff has been effective up until—oh, it was moderately effective up until 2 or 3 years ago. The increase in dairy production has been such recently, however, that the benefit does not amount to much.
>
> Mr. REED. Then, do you believe, if that tariff were lowered now, it would help agriculture?
>
> Mr. WALLACE. Well, I am to some extent a partisan of agriculture, and I would hold on to all the agricultural tariffs I could get; from the national point of view, it seems to me that agriculture is entitled to exactly the same kind of tariff benefit as industry—to that and no more.

One of the articles that has brought forth an unusual amount of argument and criticism is that relative to the sugar-beet industry in the United States. Secretary Wallace, when asked about his opinion relative to this industry, replied as follows:

> Mr. WALLACE. The sugar-beet industry, as measured from the standpoint of free world competition, is inefficient.
>
> Mr. KNUTSON. And it should be abolished?
>
> Mr. WALLACE. I did not say so.
>
> Mr. KNUTSON. Should it?

Mr. WALLACE. I have stood precisely and definitely before the Senate Committee on Finance for maintaining the sugar-beet industry on the basis of 1,450,000 tons, which is the average of the past 3 years. I do not think the beet-sugar industry should be allowed to extend further, because if it is expanded further, it is doing it at the expense of our export agriculture, it is robbing the wheat farmer of a market for flour in Cuba; it is robbing the hog farmer of a market for lard in Cuba. I think it is unsound economically to allow an industry of that type to expand further at the expense of efficient agriculture.

Mr. KNUTSON. We produce 94,000,000 pounds of beet sugar a year, and we consume 250,000,000; we have, in round figures, about 800,000 acres in the Red River Valley peculiarly adaptable to raising beet sugar; we are not permitted to do so; we are going to be compelled to continue importing about 150,000 pounds.

Mr. WALLACE. You would be doing it definitely at the expense of the American consumer and our efficient export industries, and that you should not be allowed to do.

Mr. TREADWAY. You have been touching on beet sugar, and I would like to refer to the sugarcane problem.

Mr. KNUTSON. That is a Democratic problem.

Mr. TREADWAY. It is an industrial problem. To what extent do you think the cane-sugar industry should be limited or placed under quota?

Mr. WALLACE. You are referring to domestic cane?

Mr. TREADWAY. Yes; in Louisiana.

Mr. WALLACE. The same philosophy should apply; there is no difference between the North and the South.

Mr. TREADWAY. You would not approve of the expansion of the growing of cane sugar in Florida?

Mr. WALLACE. I would not, unless it is an efficient industry, and it is clearly not; they cannot produce as cheaply there as they do in Cuba.

Mr. TREADWAY. They can employ American hands.

Mr. WALLACE. We will have more net material welfare if we produce things we can produce efficiently and exchange them for goods produced more efficiently elsewhere; we can produce lard cheaper today than it can be produced in Cuba; Cuba has an outrageous tariff on lard. Why not send Cuba our lard and take from her sugar?

Mr. TREADWAY. And stop the production of cane sugar in Louisiana.

Mr. WALLACE. Stabilize it on the basis of the last 3 years.

Mr. TREADWAY. With no expansion?

Mr. WALLACE. With no expansion; no.

Mr. KNUTSON. What are we going to do with the people operating inefficiently?

Mr. WALLACE. I think we have to consider human rights. That is the reason we have proposed in the sugar plan to give quotas on the basis of the average of the past 3 years. They are not allowed to expand; they are to be paid the parity price on the average production of the past 3 years, a production greater than any year except the past year. They are not going to be thrown out of work; they are given certain benefits and not allowed to expand.

The Secretary has stated definitely his views relative to the expansion of this industry. I want to say again that they are only his views as a member of the Cabinet and that Secretary Wallace will not have the administration of this legislation, but in view of what he has said relative to the production of cane sugar, I wish to read a statement made by Prof. John R. Commons in a pamphlet entitled, "Agricultural Tariffs", and statements based on investigations under the direction of Benjamin H. Hibbard, John R. Commons, and Selig Perlman, of the University of Wisconsin.

In discussing the Hawley-Smoot tariff, then under consideration, Professor Commons said:

The present sugar duty cost the American public about $289,000,000 during the year 1928. The average farm family consumes about 405 pounds of sugar annually in all forms; the urban family about 432 pounds. On the assumption—which is carried through the following calculations—that in the long run the sugar tariff is paid by the consumer, the annual cost of the present sugar duty is equivalent to about $9 per farm family and about $10 per urban family. The present tariff burden will thus be increased nearly $4 per family, making the annual total cost to the American public $384,000,000, or about $13 per farm and $14 per urban family. To the extent that the duty is absorbed by the manufacturer the actual burden on the family is decreased. The total burden to the Nation, however, remains the same.

BURDEN DOUBLE THE REVENUE

The Federal Government, however, derived an average annual revenue of $135,000,000 during the 7 years 1922–28. This is equivalent to less than one half the cost to the consumer. The proposed tariff will net the Government $160,000,000 annually if imports do not decrease, and will cost the consuming public an additional $95,000,000, or a total of $384,000,000.

NET LOSS TO ALL FARMERS

Less than 3 percent of the American farmers get about $43,000,000 annually under the present tariff; and all of the farmers pay about $60,000,000, a net loss of $17,000,000 to all farmers. Under the proposed Hawley-Smoot tariff a few farmers will get about $59,000,000 based on present production. All farmers will pay nearly $77,000,000 in increased prices. This tariff, therefore, represents a net loss to all farmers of $18,000,000 per year.

These investigations and research work were made in 1928 at the time of the impending Hawley-Smoot tariff.

It is most illuminating, indeed, to reflect upon the conclusions drawn by Professor Commons regarding the amount which this tariff cost the farmers of this country for the sugar they used on their tables over and above the benefits which will accrue to the remaining 3 percent of sugar producers. Certainly no farmer in the whole United States would disagree with Secretary Wallace in his statements that such an industry should not be encouraged to expand. All of us believe that this industry should not be curtailed nor abolished entirely, but an industry requiring such a subsidy should not be encouraged to branch out.

The pineapple industry in this country, I think, is a glaring example of what might be termed inefficient industry, and certainly no one believes that this industry should be induced or encouraged to expand. Several years ago a group of promoters conceived the idea of developing the pineapple industry in southern United States. There were some 13 of these farmers who succeeded in logrolling a pineapple tariff through Congress which gave to these 13 farmers approximately $1,800 of benefits per year for their industry. The industry did not expand, and, in fact, during the course of a short time 3 of the 13 growers discontinued their operations, leaving but 10 in the industry. The amount of revenue brought into the United States through this tariff amounted to approximately one-half million dollars, but the middlemen and handlers of pineapples pyramided their prices until this increase in the tariff cost the consumers of the United States approximately $1,500,000. This in order that these 10 preferred growers might receive $1,800 subsidy on their industry. This would amount to about $180 per year apiece. It would have been far better financial economics if the Government had pensioned these growers for life than to saddle upon the consuming public a subsidy amounting to over $1,000,000 per year.

In the manufacturing sphere, I wish to mention the matter of surgical instruments, and to include a statement made by the Honorable DAVID J. LEWIS, of Maryland, former member of the United States Tariff Commission, as summarized in his Tariff Studies:

Financial reports of companies producing these instruments show profits that are in keeping with the excessive prices being paid by users. One illustration will suffice to show that the industry is not lacking prosperity. The Central Scientific Co., of Chicago, which is seeking higher duties on its products, 5 years ago increased its capital stock from a total of $100,000 to $500,000 common and $500,000 preferred by means of a stock dividend. In 1926 it paid dividends which averaged 13 percent on the $1,000,000 of capital stock; in 1927 it paid 11 percent; and in 1928 it paid 13 percent. The latter rate is equivalent to 130 percent on original investment. In addition, the company has accumulated $200,000 surplus since the stock dividend 5 years ago. For each $1,000 worth of common stock held prior to the stock dividend the owner would now have $10,000 in par value and more than twice that amount in value based on dividends and earnings, and would have received an average annual income of $1,233 during the past 3 years.

Thus the prices of these surgical instruments, being 109 percent higher than pre-war, are at present 48 percent above normal, judged by the average prices now obtaining for other commodities. In the case of dental instruments, representative articles show an increase of prices in 1929 over 1913 of 266 percent. Since the general increase of prices as above stated was but 40.4 percent, these dental prices are now 160 percent excessive, judged by the average prices of other commodities.

As a member of the surgical profession I can truthfully state that there are practically no surgical instruments purchased by the ordinary surgeon that are not made abroad, largely in Germany. I have been reliably informed that there is but one manufacturing house in the United States that produces wholly all of their own surgical instruments. There are many manufacturers who produce a few of the surgical instruments which they sell. The greater proportion of such articles which they sell under their own name are manufactured abroad and imported into the United States. The tariff at the present

time on surgical instruments is terrifically high: 70 percent. Certainly, inasmuch as these instruments are purchased from Germany, why would it not be good business judgment to permit them to have the tariff rate lowered on these instruments in order that the American purchasers and the patients of surgeons, who in the last analysis must pay for these instruments, might receive the benefits of this lowered tariff and at the same time trade agreements entered into with Germany in order that American wheat, pork, lard, and cotton might be shipped into Germany.

Much has been said in the hearings by Secretary Wallace relative to German toys, and here again I feel that the same argument should apply. In this connection I wish again to introduce a statement made by the Honorable DAVID LEWIS in his summaries of Tariff Studies.

From 1909 to 1922 the tariff rate on toys and dolls had been 35 percent. The rates in the present law, 70 percent, were adopted in 1922 because of abnormal European currency conditions. In the pending tariff bill the rates are increased, by indirection generally. The rate on pyroxyline dolls increased from 60 to 165 percent. Cost comparisons of representative dolls and toys indicate that the present difference in costs between foreign and domestic production is 21 percent. A reduction of the present tariff of 70 percent to the Aldrich rate of 35 percent seems to be indicated by the investigation. The Tariff Commission found that the costs for wages and salaries combined in the manufacture of toys and dolls, compared with the wholesale value produced, is 34.5 percent, approximately the ad valorem rate of the Aldrich bill. Extraordinary profits of manufacturers appear to be realized on these dolls and toys through the excessive prices permitted by the present tariff. The Faultless Rubber Co. of Ohio makes rubber toys. Its annual dividends are at present at a rate equivalent to 20.7 percent on its stock of $100 par value. In 1919 this company paid a special dividend of about 33 percent in Government bonds and in 1920 a special dividend of about 66 percent in preferred stock, which has since been retired at $103. The principal witness before the Ways and Means Committee in behalf of manufacturers of toys was A. F. Gilbert, of the A. C. Gilbert Co., Connecticut. It was incorporated in 1928 to take over the business and property of another company of the same name. The predecessor company paid dividends of 10 percent in 1925, 25 percent in 1926, and 30 percent cash and 100 percent stock in 1927. In 1928 the net earnings showed an increase of over 17½ percent.

In both of these industries—surgical instruments and the toy industry—the President is not asking that these industries be wrecked or curtailed in their production but that they should not be encouraged or induced to expand their activities.

Abraham Lincoln, in his homely philosophy, advanced the best argument, I believe, that has ever been produced on behalf of the protective-tariff system and its effect upon America in general. However, I feel that President Lincoln could have gone further in his argument and have been more conclusive. He stated that if an American wished to buy a suit of clothes, and purchased such suit in England, that England would have the $10—the price prevailing at that time—and America would have the suit of clothes, but if that American purchased the suit of clothes in Boston, America would have the suit of clothes and likewise the $10.

As stated above, I believe his argument could have been carried further to say that if the American spent the $10 for the suit of clothes in London, that the Englishman, under the reciprocity agreements, would come back to Kansas and buy up 10 bushels of surplus wheat with his $10, and the result would be that America would have the suit of clothes, the $10, and the Kansas farmer would have gotten rid of $10 worth of surplus wheat that has piled up in America to depress the wheat market.

I wish to state here and now that I believe there is not a Democrat in America who believes in free trade, nor is there one who believes in tariff so low that foreign producers may be allowed to steal away the American markets, but the philosophy advanced by President Roosevelt is that tariff should be sufficiently high to prevent undue flooding of American markets, at the same time to produce a revenue for the American Government, thereby decreasing general taxation, and that tariff rates in general should not be disturbed excepting that trade agreements might be entered into with foreign nations to the end that particularly the American farmer shall be allowed to dispose of his surplus production instead of destroying it, which in the last analysis is the only other alternative if he is to be protected from the effects of overproduction and underconsumption, and when such time arrives then the products of American agriculture may be disposed of in foreign markets sufficiently to absorb this price-depressing surplus.

The restrictions applied by the A.A.A., together with the unpopular and distressing processing tax, should be and will be absolutely removed if and when the free flow of agricultural products can reach foreign markets. There are just two methods at the present time of assisting the farmer to control his surplus production; namely, by restrictions in acreage and, secondly, by stimulating foreign and domestic purchases. During the prevailing emergency our Government has embarked upon the restriction program as a stopgap, and the reciprocal trade agreement has been fostered and is being advanced with a view to future resuscitation of agriculture on a long-range program.

There are many who believe that if the country is prosperous the tariff must be increased to insure that prosperity; if the business of the country appears to be slipping, the tariff should be increased to start it back on the road to improvement; and if the country is in a severe panic or depression, the tariff should be stepped up and all will be hunky-dory. Most of us remember the statement made by ex-Senator Watson, of Indiana, on the floor of the other body when the Smoot-Hawley Tariff Act was under discussion in 1930. His statement in effect was:

I wish to say here and now—and I ask my colleagues in this Chamber to recall my prediction in the days to come—if this tariff bill is passed business conditions will begin to improve immediately, and within 1 year we shall have regained the peak of our prosperity.

Mr. Speaker, I submit that that prophecy did not materialize; in fact, the days and months which followed the enactment of that infamous bill saw increasing numbers of smokeless factory chimneys and motionless factory wheels. It saw increasing millions of unemployed walking the streets of our cities vainly seeking employment. Those predicted halcyon days saw farm prices reach the lowest levels that they have reached in the history of the country. Before this bill had been passed over 1,000 economists of this country, representing the largest universities and colleges in our land, petitioned President Hoover not to sign the bill, and we were informed by my colleagues the other day that he came near not signing the bill because it would not do for agriculture what had been promised them by the Republican platform of 1928. This I interpret as no defense of its admitted shortcomings.

I am in strict agreement with Secretary Wallace's statement in which he said:

I would hold on to all the agricultural tariffs I could get.

I believe they are absolutely necessary to protect particularly the dairy industry of this country as well as many other agricultural commodities. However, I do know that there are many industrial concerns that have grown hog fat entrenched behind tariff walls, and they have been veritable pirates on the people of this country. It is the old story of the American farmer getting a mouthful, while the industrialists are getting not only a meal but a real banquet. I cannot for the life of me understand the paradoxical argument that has been advanced on this floor in which advocates of the last tariff act accept glorified credit for having a $3 per thousand tariff placed on lumber, which together with the additional dollar per thousand taxes which has increased the price of lumber to farmers and builders to that extent, and likewise, the increased tariff on cement, wire fencing, and other building materials. In contending that such increases in tariff were of benefit to the farmers who must build barns, silos, granaries, and so forth, to me would require a great deal of political dexterity to convince the man who sells his crops on an unprotected market at prices set by the purchaser, and who is obliged to pay the prices set by the seller when he buys industrial commodities, that he is going to benefit one iota. In fact, I am convinced that the farmer of today, who does a great

deal of reading and who has the radio at his command, is thoroughly awakened to the fact that the commodities which he purchases are protected 100 percent, and the commodities which he sells are protected in many instances not at all because of the surplusses produced on his farm. Therefore, if trade agreements can be entered into whereby he can have his surplus traded abroad and the stored grains that depress his market removed, he realizes that he can again go into the market and say he asks so much for his tobacco, corn, wheat, butter, and so forth, and will not have to submit to the humble pleading of, "how much will you allow me."

I have introduced a bill in the Congress, H.R. 3829, for the purpose of regulation of the importation of milk and cream and milk and cream products, such as cheese, butter, and so forth, which will prevent the importation into the United States of cheese and butter from countries in which the dairy herds contain a large percentage of tubercular cows and in which the dairy scoring does not conform to the standards as laid down by the Bureau of Animal Industry of the Department of Agriculture in the United States. This bill is simply a supplemental bill, or rather a substitute amendment to the Lenroot-Taber bill, which was passed by the Congress and signed by President Coolidge in 1926, and which applied only to milk and cream. The mechanics of my bill and the administration of the enactment would be precisely the same as the Lenroot-Taber bill, which legislation has been of untold benefit to the milk producers, particularly of New York State and the East.

In the hearings before the Agricultural Committee evidence was introduced showing that many of these foreign countries that ship cheese into the United States have tuberculosis existing in their herds ranging from 15 to 50 percent. It was the contention of these importers that the tubercular germs were automatically killed in the processing of the cheese. This contention is denied, and it has been conclusively shown through laboratory experiments by scientists and experts in tuberculosis to be untrue. It has been shown that the living tubercular germ can be recovered from such cheese in certain instances for a period of at least 200 days.

The herds in my native State of Wisconsin are tubercular free, there being less than two tenths of 1 percent of these herds that are infected. Wisconsin produces approximately 65 percent of the cheese in the United States, and the remaining 35 percent of the cheese is produced likewise in States that are largely tubercular free and accredited States. Therefore, our cheese producers are placed at the unfair disadvantage of being forced to compete with foreign importers who because of subsidies advanced to them by their governments are able to undersell our American producers, even after the tariff of 5 to 7.7 cents per pound on cheese has been deducted.

The matter of foreign organizations subsidizing their cheese importers was brought out in the hearings recently held on my bill before the Subcommittee on Agriculture, in which the evidence submitted and not denied showed that certain foreign governments organized so-called "import pools" in which such importers would sell their cheese in competition with American cheese and would be paid for the loss sustained by the foreign farmers who sold their cheese to the import pool, they, in return, remitting same to the farmers. In the last analysis, of course, the government from which this cheese was imported reimbursed the pool to the extent of their loss.

The only fair and right and just way of meeting this situation is to oblige such importers to comply with the health regulations of our country. If they can and will do it, there will be absolutely no restrictions on the importations. If they cannot and will not do it, they should not be permitted to import cheese into the United States.

It is my intention today, Mr. Chairman, to introduce an amendment to this bill for the purpose of protecting the rights of the American cheese producers and the American consumers against the unfair competition of this cheese which does not conform to the standards required of our American producers. Our dairy industry is amply protected by tariff at present. But we shall not consent that this tariff be lowered, but we do recognize the fact that when such tactics as these are entered into by foreign importers, in which their farmers are subsidized, that even the present tariff is not protective—and in view of the fact that our American producers have spent millions of dollars in perfecting their herds in the eradication of tuberculosis, and that the Government likewise has spent millions of dollars, we believe that we are asking for no unfair discrimination when we demand that foreign importers comply with our standards.

Mr. CARTER of California. Mr. Speaker, the last few weeks there has been before this Congress a measure of vital importance which has been the subject of much discussion and debate. The bill (H.R. 8430), entitled "A bill to amend the Tariff Act of 1930", if approved, provides that the President whenever he (in his discretion) finds that any existing duties on other import restrictions are unduly burdening and restricting the foreign trade of the United States, then he shall have the authority to enter into foreign trade agreements with foreign governments and he shall have the further discretion to reduce or increase any existing rate of duty in an amount equal to 50 percent of the existing rate.

Under article 1, section 8, of the Constitution, Congress is given the power to fix and levy duties. It is to be observed that this power is given solely and only to Congress by the people of the United States. Congress is therefore under a solemn obligation to the people of this country to jealously guard such a power, and even though it may have authority to delegate some of its powers, the fact, clear and unambiguous, is that the people of this country never intended that such power should be given to the executive branch of our Government. Had such an intention been in the minds of the people, they would have manifested it in specifying the powers granted to the Executive. An examination of the powers granted to the Executive fails to disclose any such intention.

There was evidently a particular reason for this fact; import duties having a serious and far-reaching effect on the economic life of the people and the industries of this country. Today, as during the time the Constitution was framed, the industries of this country were either nonexistent or struggling for existence. It was recognized that in order to protect these home industries some measure would have to be taken to prevent this country from being flooded with cheaply made foreign goods, making it impossible for our industries to compete and enjoy a decent standard of living. Today we are faced with identically the same problem.

Congress was given this power for one very important reason if for no other, that it is so constituted, representing as it does every community in this country, that it is able to investigate and ascertain the necessity and extent of protection needed by the industries in these communities, and further, that before any legislation is enacted affecting this vital phase of our economic life, opportunity by petition or hearing could be afforded the interested parties.

This act contemplates divorcing Congress from this obligation and placing this power in the hands of the Executive to use as his discretion deems advisable.

While I have full confidence in the President, it is obvious that it will not be in the discretion of the President that this trust will ultimately repose in the discretion of one or more of the "brain trust." The air-mail contract cancelation fiasco is a glaring example of what we can expect when discretion is imprudently delegated. Just as in the case of the cancelation of the air-mail contracts without hearing, or proper investigation, disregarding entirely one of the fundamental principles on which our Government is founded, so without any hearing the protection now afforded our industries already struggling for survival could be wiped away.

It is submitted, therefore, that before we Members of Congress divest ourselves of this obligation which we have

sworn to fulfill and before we delegate this vital power to the members of the "brain trust", we consider carefully and thoroughly its consequences.

Mr. DITTER. Mr. Speaker, the tariff bill which we are presently considering is the most momentous and revolutionary measure which has ever come before an American Congress. It marks a departure from all time-honored precedents. It involves a further surrender on the part of the representatives of the people to the will of the Executive. It is another step toward absolute dictatorship and the destruction of constitutional democracy. The outstanding characteristic of the present Congress has been its submissiveness to the will of the Executive. It now proposes a complete surrender of its most important power.

This tariff measure comes to us as a result of the message of the President to the Congress requesting power to enter into Executive commercial agreements with foreign nations. The Executive bases his request for enlarged powers upon the decrease in foreign commerce and cites as a reason for these extensive demands the fact that the executive branches of other important trading countries already possess similar powers. To many Members of the House the reference to the arbitrary and dictatorial powers of foreign rulers is neither a persuasive factor nor a wholesome citation. The present emergency provides the excuse by which the Executive would take unto himself the determination of the taxing privilege of the American Congress. History records that the pleas of necessity and efficiency have always been the pleas upon which every despot has founded his excuse for the assumption of extraordinary power.

The taxing power has been the most jealously guarded right of the American people. The power to tax is the power to develop or to destroy. It is the power which gives life or decrees death. It is the power to encourage initiative or to discourage endeavor. The right of taxation must be preserved to the American people if our personal liberty and our free institutions are to survive. A study of the bill indicates that the proposal is a complete change in tariff-making practices.

The President is given absolute authority to enter into trade agreements with other nations, to determine tariff rates, reducing or increasing them; and to abolish not only the right of this House to pass upon and determine such tariff regulations but the right of the Senate to approve the treaties. It has been urged upon us by administration spokesmen that the measure involves no surrender of the taxing power vested in this body by the Constitution. The efforts of the distinguished gentlemen of the majority to defend the bill on the ground that it is not a taxing measure have been superficial. The futility of their efforts and the lack of sincerity is all the more apparent by an examination of the record of the observations of these gentlemen on previous tariff measures. A tariff bill is a tax bill, and if the power to fix the amount of such tariff, either to raise or lower it, is delegated by this body to the sole determination of the Executive, it is tantamount to granting to the executive branch of the Government a power specifically committed to the Congress by the Constitution. The wisdom of the framers of our Constitution can be appreciated by a consideration of the document as a whole, but no better evidence can be found of the precautions exercised by the fathers than the provision for levying taxes. This all-important function was safeguarded to the people by its commitment to the legislative and not the executive branch of the Government.

I have the honor to be a Representative of one of the great industrial States—a State which has always been in the forefront of the industrial life of the Nation. Pennsylvania is proud of her industries. She is jealous of their welfare. She is ambitious for their development. She is committed to their protection. Our concern for these industries is prompted by our conviction that the welfare of her people depends almost wholly on the employment which these industries provide. Their happiness, their contentment, and their prosperity must be safeguarded. Their very sustenance is threatened by the proposed enactment of this capricious, theoretical experiment in foreign marketing. The homes of my people—homes in which industry and thrift are taught, and in which frugality and honest toil seek to provide advancement and respect—these homes which nurture worthy American ideals are menaced by this amazing effrontery. My plea is not for the industries, my prayer is for my people. God guard them against the menace of this threatened destruction.

A reasonable certainty of tariff protection has assured the workmen, in whom I am interested, against the ravages of cheap foreign competition. If this bill is enacted, this certainty disappears, and in its place there looms the prospect of the sacrifice of these industries and her workmen on the altar of fantastic foreign-trade benefits. We have been assured that no sound, important American industry will be injuriously disturbed by the proposed agreements with the foreign nations, but we have no assurance as to the basis upon which the soundness or the importance of an industry shall be determined. In fact, the expressed purpose of the bill is not the protection of American industry or the American workmen but the development and encouragement of the importation of foreign goods to compete with the products of our own mills and factories. It is alarmingly apparent that it is intended to destroy certain industries which are considered unsuited to, or unimportant in the proposed international bargaining and an anticipated but not certain benefit in an agreement with some foreign manufacturing country will be a sufficient warrant for the wanton destruction of a Pennsylvania factory, or mill, or foundry, and the consequent dismissal and distress of the employees.

Each factory, each mill, each loom, each forge which provides employment to a single wage earner is an important industry to such wage earner and those dependent upon him. I am committed to his interests. He has the right of protection against a program by which he would become a mere pawn to be moved about under the rules of a planned economic game of chance. Is this proposal another link in the chain of collectivism which some would forge for the complete enslavement of American initiative and individual endeavor? I cannot subscribe to nor support the proposal to extend a communistic doctrine in the industrial field at the expense of the freedom-loving workmen of my district.

The majority has taken a pride in the mandate of the people by which it enjoys its present power, but the mandate of the people never contemplated a program such as the one presently before us. No Member of the House can be bold enough to suggest that his campaign pledges included an avowed purpose on his part to surrender to the Executive the right to impose taxes. Have we become so insensible of our duties and obligations that we are dominated by a spirit of complete subserviency? Are we entirely devoid of any sense of self-respect? Have we reached the point of admitting our unworthiness of the trust committed to our keeping? The power to tax is our power. It is a power that has been committed to us by the American people. It is a power which we cannot evade. It is a power which belongs solely to the Congress of the United States and should be exercised by it.

The surrender of this power to the Executive is the creation of absolute despotic authority. It will enable the Executive to create favorites upon whom he may bestow his pleasure and privilege. The favored industry, the favored business man, the favored group of employees may receive extended privileges and unwarranted rights at the expense of those who may not measure up to the Executive's delight and pleasure. I attribute no improper motives or purposes to the President of the United States when I join with others in this House in raising my voice of objection to the measure. In the hands of the present Executive the privilege which he seeks may be exercised with justice and equity, but we are confronted with the danger of the establishment of a precedent which may be disastrous. Again, we must be mindful of the fact that in spite of proper motives the present Executive or any future Executive is human. The fallibility of the human factor is present. Mistakes in judgment, errors in analysis, faults in conclusions should be

guarded against by the customary methods of open hearings and public debate.

By this measure we create a star-chamber proceeding. Secret agreements, secret conferences, secret considerations, and secret determinations are to take the place of the open forum and public discussion of the taxing privilege. It is in the atmosphere of secrecy that collusion, intrigue, duplicity, and deception may breed. It is in the confines of the secret chamber that the rights of free men and free institutions are bartered away. Shall it be said of the Membership of the House that it was willing to trade its love of liberty, its love of free institutions, its love of American traditions, its love of American ideals, and accept in exchange therefor possible despotic abuses? I do not believe it. I cannot reconcile my understanding of the obligations of our oath with such wanton and abject surrender of our duties and privileges.

We must not lose sight of the fact that the foreign debt situation is definitely a part of the program of foreign commercial relations. The relationship of debtor and creditor is definitely a part of any trade relationship. The nation which buys from us becomes a debtor to us. The nation from which we purchase becomes our creditor. All of us are familiar with the debts presently owing to us by foreign nations and the people whom we represent are acquainted with the conditions prevailing at the present time in the international debt situation. Are we to become further involved in the intricacies of these foreign relationships by committing to one man the determination of advantage to be secured by entering into trade agreements with these countries, involving, as it must needs involve, some disposition of their present indebtedness to us? Is it not reasonable to suppose that each of the foreign nations will be alert and active in studying the advantages which come to them through such trade agreements and insist upon a favorable disposition of our claims against them before any possible trade benefits can come to us? Our experiences with foreign agreements have not been encouraging. We have had assurances and guaranties and agreements and covenants, none of which have been honored or kept. Is there any reason to assume that the contemplated trade agreements proposed by the Executive will have any greater binding force or efficacy than those which we have had in the past?

The plea of necessity and emergency has prompted the present Congress to give to the Executive unusual powers, but there is a time when even the most submissive man must realize the sense of danger which is present. We have vested in the President of the United States powers which were never sought by any of his predecessors and certainly never contemplated by those who framed our constitutional form of government. The President of the United States has assumed almost complete control of the destiny of the American people. The power which he now seeks would make him the most powerful ruler in the world. The quest for power has marked the efforts of all dictators. More power and still more power to the ruler means less rights and still less rights to the people. It is time to stop. It is time to call a halt. It is time to heed the danger of the course which we are following. The issue is clear. Popular government is on trial. Upon your vote and my vote depends the future destiny of the rights of free men, the continuance of free institutions, and the blessings given to us by our forefathers. We enjoy the privileges of a magnificent heritage—a heritage that has come down to us from the days when an English-speaking, liberty-loving people wrested from weak King John a Magna Carta; a heritage that has been further guaranteed by the Bill of Rights, the Habeas Corpus Act, the Declaration of Independence, and the Constitution. Shall this heritage be handed down by us to our children and our children's children unimpaired or shall we, in abject and servile surrender, destroy the blessings of liberty and the rights of free men? There is but one answer. God grant that there may be given to you and to me the courage to voice a positive and defiant declaration that there should be preserved for all time to come the rights of liberty and freedom without despotic spoliation.

Mr. CHASE. Mr. Speaker, this bill represents just one more step in the bloodless revolution in the throes of which America is alleged to be suffering.

It is a step through which the Congress is invited to abdicate still more of its constitutional power to a benevolent autocrat.

Never in American history, in war or in peace, have such tremendous powers been conferred upon the Executive as have been now naively asked by the administration of the present Congress, and each time the Congress has yielded its prerogatives to the executive branch.

There has been debate in the House as to whether or not this measure proposes to transfer taxing power to the President, the issue being, Is a tariff a tax? In his book, Looking Forward, published after he became the Nation's Chief Executive, the President says at page 177:

> A tariff is a tax on certain goods passing from the producer to the consumer.

So, to the embarrassment of his supporters, he cuts through their mass of legal oratory and calmly states, "A tariff is a tax."

This bill constitutes a definite, clean-cut step away from the ideals of America toward the ideals of Soviet Russia. It is my purpose to discuss it from an agricultural standpoint only, and with particular reference to its effects upon the people and industries of Minnesota.

Following the Agricultural Adjustment Act, enacted at the special session, measure after measure has been forced through Congress, each granting greater powers to the Chief Executive, or some one or more of his appointees.

In nearly every instance, the powers of the legislative branch of the National Government have been lessened and those of the executive branch increased. In many instances the inspiration for the acts has come from Russia, and the theory of government back of it is economic planning.

A few weeks ago the House passed the cotton bill and introduced into American agriculture for the first time the principal of compulsory control. That act is described in the Washington Herald of March 20, as follows:

> It is too complicated for an explanation to be made that would be intelligent, but in brief, it provides that hereafter the world's supply of cotton will be raised by India, Egypt, and Russia.

There is now before the House Committee on Agriculture a sugar bill, which proposes to restrict production of sugar beets and the manufacture of beet sugar in continental United States, in the interest of the cane-sugar producers of Cuba and the capital invested in refineries there.

The third step is a mysterious bill, frequently referred to on this floor but thus far not brought out into the light of day, by which it is proposed to amend the Agricultural Adjustment Act, by placing under the Secretary of Agriculture agricultural commodities other than basic agricultural commodities under such rules and regulations as the Secretary may deem necessary. Now, on top of these three proposals, comes this latest monstrosity, delegating to the President some of the legislative powers of the Senate and House, and the power of life and death over American agriculture.

The purpose of this talk is to prove that H.R. 8687 is:

First. Contrary to the principles of the Democratic Party as enunciated in its platform pledges.

Second. A violation of the campaign pledges of the Democratic condidate.

Third. A definite attack upon the interests of agriculture.

Fourth. Will prove harmful in practice.

During the life of the Democratic Party it has never proposed such unwarranted and autocratic delegation of congressional power to the President. In its 1932 platform the party declared:

> We advocate a competitive tariff for revenue, with a fact-finding tariff commission free from Executive interference, reciprocal tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

You will note that the recommendation is for a fact-finding tariff commission. In 1928 the tariff plank in point said this:

(c) Abolition of logrolling and restoration of the Wilson conception of a fact-finding tariff commission, quasi-judicial and free from the Executive domination which has destroyed the usefulness of the present Commission.

It is noticeable in the above that the party went definitely on record as opposed to the principle of the present bill.

In its 1920 platform Democracy stated its policy on the tariff to be:

We reaffirm the traditional policy of the Democratic Party in favor of a tariff for revenue only, and we confirm the policy of basing tariff revision upon the intelligent research of a nonpartisan commission rather than upon the demands of selfish interests temporarily held in abeyance.

Now, it is noticeable that there is no proposal to enlarge Executive powers, but, on the contrary, definite commitment to intelligent research by a nonpartisan commission.

In 1916, the tariff plank said in part:

The Democratic Congress is providing for a nonpartisan Tariff Commission to make impartial and thorough study of every economic fact that may throw light either upon our past or upon our future fiscal policy with regard to the imposition of taxes on imports or with regard to the changed and changing conditions under which our trade is carried on. We cordially endorse this timely proposal and declare ourselves in sympathy with the principle and purpose of shaping legislation within that field in accordance with clearly established facts rather than in accordance with the demands of selfish interests or upon information provided largely, if not exclusively, by them.

Here, it is noticeable that not only is there no suggestion of autocratic control by the Chief Executive, but the party commits itself to legislation within that field.

The same policy prevailed in 1912, when the tariff plank in point is this:

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

Again the proposal is this, "legislation that will not injure or destroy legitimate industry."

And so the party platforms ran. At no time has the Democratic high command declared in its campaign platforms for the dictatorship plan of government desired by the group of young professors, who are now serving as advisers in the formulation of the administration's agricultural program.

In no Democratic platform has there been either promise or request for such a bill.

In no campaign speech did the Democratic nominee for the Presidency promise, ask, propose, or suggest such legislation.

Every platform of the party has proposed some other form of action in the same way the campaign speeches of the candidate proposed either some other form of action or this form of action without any suggestion of autocratic domination by the Executive.

In his radio speech interpreting the party platform, delivered from Albany on July 30, 1932, the candidate said:

A tariff is a tax laid on certain goods passing from the producer to the consumer. * * * Peasants who live at lower levels than our farmers, workers who are sweated to reduce costs ought not to determine prices for American-made goods. There are standards which we desire to set for ourselves. Tariffs should be high enough to maintain living standards which we set for ourselves. * * * A commission of experts can be trusted to find such facts, but not to dictate policies. The facts should be left to speak for themselves, free from Presidential interference.

Surely nothing could be more definite than such a statement. A commission of experts to determine facts, free from Presidential interference.

On September 15, 1932, at Topeka, Kans., the President, then a candidate, declared, in dealing with the needs of agriculture.

I seek to give to that portion of the crop consumed in the United States a benefit equivalent to a tariff sufficient to give your farmers an adequate price.

I want now to state what seem to be the specifications upon which most of the reasonable leaders of agriculture have agreed, and to express here and now my whole-hearted accord with these specifications.

First: The plan must provide for the producer of staple surplus commodities, such as wheat, cotton, corn (in the form of hogs) and tobacco, a tariff benefit over world prices which is equivalent to the benefit given by the tariff to industrial products.

Thus, by the middle of September, he had made public his tariff policy and his program to relieve agriculture. His statements were confirmed one week later, by the following statement in his Sacramento speech:

I have called for genuine governmental efforts to devise means by which the farmer may get the benefit of the equivalent of a tariff protection similar to that which industry has.

Continuing his discussion of agricultural problems, he said at Sioux City, Iowa, on September 30, 1932, the following:

What does the Democratic party propose to do in the premises?

The platform declares in favor of a competitive tariff which means one which will put the American producers on a market equality with their foreign competitors—one that equalizes the difference in the cost of production—not a prohibitory tariff back of which domestic producers may combine to practice extortion of the American public. * * *

But how is reduction to be accomplished? By international negotiation as the first and most desirable method, in view of present world conditions—by consenting to reduce to some extent some of our duties in order to secure a lowering of foreign walls that a larger measure of our surplus may be admitted abroad. * * *

Next the Democrats propose to accomplish the necessary reductions through the agency of the Tariff Commission.

Thus far, it is apparent that there has not been the slightest suggestion of transferring to the President powers of Congress to conclude tariff treaties.

The principles he had stated in his earlier addresses were reaffirmed by him in the closing days of the campaign. On November 4, 1932, at the Metropolitan Opera House in New York City, he declared:

I have sought during these months to emphasize a broad policy of construction, of national planning and of national building, constructed in harmony with the best traditions of the American system. I have concentrated of necessity upon the broad and immediately insistent problems of national scope. * * *

At Sioux City, Iowa, I proposed a tariff policy aimed to restore international trade and international commerce not only with this Nation but between all nations of the world.

In October, he vigorously proclaimed a tariff policy exactly opposite to that which his supporters are now urging in the present bill. He said on October 20, at Wheeling, W.Va.:

I have advocated a lowering of tariffs by negotiation with foreign countries. But I have not advocated, and I will never advocate, a tariff policy which will withdraw protection from American workers against those countries which employ cheap labor or who operate under a standard of living which is lower than that of our own great laboring groups.

Down in Atlanta, Ga., on October 25, he proclaimed his Americanism and emphasized the value of the American market. His words were:

FARMERS' PURCHASING POWER MUST BE REESTABLISHED

I, on the other hand, am saying over and over that I believe that we can restore prosperity here in this country by reestablishing the purchasing power of half of the people of the country, that when this gigantic market of 50,000,000 people is able to purchase goods, industry will start to turn, and the millions of men and women now walking the streets will be employed.

I am, moreover, enough of an American to believe that such a restoration of prosperity in this country will do more to effectuate world recovery than all of the promotional schemes of lending money to backward and crippled countries could do in generations. In this respect, I am for America first.

This doctrine I set forth when my campaign really began back in April. I said in a speech then that we had forgotten this potential market of the agricultural population and that the true interest of this country was to return to this forgotten market. We have, as in the old story of the Holy Grail, looked beyond the seas for the riches that were lying unnoticed at our very feet.

When we come to recognize this simple fact, when we get back to plain, common sense, when we stop worshiping false gods and chasing rainbows, happiness and prosperity will come to American workers and farmers and business men—to the American people.

On the following day at Baltimore he declared that it was silly to suggest that he would even think of such a program as that which is the real basis for the unfortunate bill now under discussion.

This bill contemplates restriction or destruction of inefficient industries in America in the interest of broadening the markets of those industries deemed to be efficient.

President Roosevelt, then the Democratic nominee, made the following definite statement:

My distinguished opponent is declaring in his speeches that I have proposed to injure or destroy the farmers' markets by reducing the tariff on products of the farm. That is silly. Of course I have made no such proposal nor can any speech or statement I have made be so construed. I said in my Sioux City speech in discussing the Hawley-Smoot Tariff Act of 1930:

"Of course the excessive, outrageously excessive rates in that bill must come down, but we should not lower them beyond the point indicated."

The point indicated was that no tariff duty should be lowered to a point where our natural industries would be injured. Again in my Sioux City speech I made the Democratic position plain where I said that negotiated treaties would be accomplished "by consenting to reduce, to some extent, some of our duties in order to secure a lowering of foreign walls that a larger measure of our surplus may be sold abroad."

Of course it is absurd to talk of lowering tariff duties on farm products. I declared that all prosperity in the broader sense springs from the soil. I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture and raising the price of farmers' products. I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived.

Could anything be more definite, clean-cut, and understandable than his statement that "it is absurd to talk of lowering tariff duties on farm products"?

Finally, at Boston, on October 31, he gave his final speech to agriculture:

CONTINUED PROTECTION OF FARMER PLEDGED

Moreover, we need to give to 50,000,000 people who live directly or indirectly upon agriculture a price for their products in excess of the cost of production. That will give them the buying power to start your mills and mines to work to supply their needs. They cannot buy your goods because they cannot get a fair price for their products. You are poor because they are poor.

I favor—and do not let the false statements of my opponents deceive you—continued protection for American agriculture. I favor more than that. I advocate measures to give the farmer an added benefit, called a "tariff benefit", to make the tariff effective on his products.

Not a word anywhere about the power to negotiate being transferred to the President. Every campaign speech indicates clearly that that was not his thought.

No Democratic candidate, President, or platform ever declared for such a dictatorial, autocratic assumption of power conferred on Congress by the Constitution and now proposed to be placed in the hands of one man. Again it seems a part of the program of the bright young man whose inspiration today lies in Red Russia.

After assuming the office of President, the Chief Executive said, on page 188 of his book, Looking Forward, published last year:

I propose to accomplish the necessary reduction through the agency of the Tariff Commission.

Now, there is presented to the House a bill authorizing the President to negotiate and proclaim modifications of existing duties, and on page 3, lines 4 to 7, inclusive, occurs the following suggestive statement:

Except that nothing in this section shall be construed to prevent the granting of exclusive preferential treatment to articles the growth, produce, or manufacture of the Republic of Cuba.

One of the valued interests of the State of Minnesota is the production of sugar beets with the companion industry of beet-sugar manufacturing.

It is elementary that where natural advantages favor foreign countries in the production of agricultural commodities, production of those commodities in this country must be tariff protected, or the American standard of living must be lowered to that of the competing nations.

American agriculture, like American labor, cannot compete with agriculture and labor drawing a lower wage and living on a lower plane, unless the advantages thus held by foreign producers are equalized or offset by a protective tariff or some other effective protective force.

In their program of sovietizing America, the Presidential advisers have given particular attention to the beet-sugar industry. In the beet-sugar industry Minnesota is particularly interested. The President of the United States in his tariff message, said in part:

I am requesting the Congress to authorize the Executive to modify existing duties and import restrictions.

In his message to the Congress recommending amendment of the Agricultural Adjustment Act he said in part:

I do not at this time recommend placing sugar on the free list. I feel that we ought first to try out a system of quotas with the threefold object of keeping down the price of sugar to consumers, of providing for the retention of beet and cane farming within our continental limits, and also to provide against further expansion of this necessarily expensive industry. * * *

The objective may be attained most readily through amendment of existing legislation. The Agricultural Adjustment Act should be amended to make sugar beets and sugar cane basic agricultural commodities. It then will be possible to collect a processing tax on sugar, the proceeds of which will be used to compensate farmers for holding their production to the quota level. A tax of less than one half cent per pound would provide sufficient funds.

Consumers need not and should not bear this tax. It is already within the Executive power to reduce the sugar tariff by an amount equal to the tax. In order to make certain that American consumers shall not bear an increased price due to this tax, Congress should provide that the rate of the processing tax shall in no event exceed the amount by which the tariff on sugar is reduced below the present rate of import duty. * * *

The use of such a base would allow approximately the following preliminary and temporary quotas: Continental beets, 1,450,000 short tons.

Taking the two messages together, and remembering that the proposed quota of 1,450,000 short tons for continental beets is a definite reduction of more than 300,000 short tons under last year, we have a definite, deliberate, and intentional suggestion from the Nation's Chief Executive that production of American beet sugar shall be reduced in the interests of Cuban producers and refiners. There can be no other interpretation and none need be sought, because it is practically admitted by those in authority that such is the case.

During the debates in the House there has been some effort to hoodwink Members by misquoting or partially quoting testimony. When the sugar bill was before the House Committee on Agriculture, on Monday, February 19, the President's message relative to sugar was presented, and thereafter Mr. A. J. S. Weaver, of the Department of Agriculture, testified. He spoke, in part, as follows:

Mr. HOPE. If it is not the purpose of the administration to reduce the price of sugar to the consumer, what objective is there then to permitting an expansion of the domestic industry in this country?

Mr. WEAVER. I do not follow that question.

Mr. HOPE. Well, I will repeat the question.

If there is no desire on the part of the administration to reduce the price of sugar to the consumer, what reason is there for restricting domestic production?

Mr. WEAVER. There, of course, is a desire; a desire on the part of the administration to reduce costs of living and to reduce the excessive costs of sugar to the population of the United States.

In this emergency situation it is not possible to do everything at once; but, now speaking from the point of view of long-time policy, if further expansion is continued, the United States will be saddled, possibly forever, with a high-cost industry, which is not a fair thing to contemplate for consumers.

Mr. HOPE. Well, then, in other words, the policy is to start in eliminating the industry before it gets any bigger. Am I correct in that assumption?

Mr. WEAVER. Yes; I think that is a reasonable statement.

Mr. CUMMINGS. What is that last statement?

Mr. WEAVER. My answer was, I think that is a reasonable statement.

Mr. CUMMINGS. Is it reasonable to say that the object of this bill is to give us a kind of a shot in the arm and slide us out of business while we are partly unconscious?

Mr. WEAVER. Yes; that is much more desirable than being in, in coming to the fundamental question.

Remember that this is the unexpurgated edition. The above is what Mr. Weaver actually did say, not what he is alleged to have said or should have said. It is a presentation of his testimony as he gave it.

His candor was as embarrassing to the administration as his statements were shocking to the American public.

Four days later the Secretary of Agriculture testified before the Senate Committee on Finance. The following is quoted from pages 32 and 33 of the hearings:

Senator VANDENBERG. Who is Mr. A. J. S. Weaver?
Secretary WALLACE. He is head of our sugar section.
Senator VANDENBERG. How long has he been head of the section?
Secretary WALLACE. Oh, I think since last October.
Senator VANDENBERG. As a matter of fact, he is really the rice expert in the Department, is he not?
Secretary WALLACE. Yes.
Senator VANDENBERG. Now, he has had no material experience with sugar?
Secretary WALLACE. That is true.
Senator VANDENBERG. You are familiar with Mr. Weaver's testimony before the House committee. Do you agree with his conclusion that this is a scheme to give the sugar industry a shot in the arm and slide it out of business?
Secretary WALLACE. No, sir. I may say, in all fairness to Mr. Weaver, he happens to be a very intelligent and——
Senator VANDENBERG. Candid?
Secretary WALLACE. Brainy man; but on that occasion he had been traveling all night on the airplane, and had been subjected——
Senator VANDENBERG. You mean he was still up in the air?
Secretary WALLACE. He had been subjected to a considerable cross-questioning, rather rapid fire, and possibly his ears were still dimmed by the roar of the airplane motor.

Mr. Wallace appeared also before the Committee on Ways and Means of the House. On page 60 of the hearings appears the following as a portion of his testimony:

Mr. WALLACE. The sugar-beet industry, as measured from the standpoint of free world competition, is inefficient.
Mr. KNUTSON. And it should be abolished?
Mr. WALLACE. I did not say so.
Mr. KNUTSON. Should it?
Mr. WALLACE. I have stood precisely and definitely before the Senate Committee on Finance for maintaining the sugar-beet industry on the basis of 1,450,000 tons, which is the average of the past 3 years. I do not think the beet-sugar industry should be allowed to extend further, because if it is expanded further it is doing it at the expense of our export agriculture; it is robbing the wheat farmer of a market for flour in Cuba; it is robbing the hog farmer of a market for lard in Cuba. I think it is unsound economically to allow an industry of that type to expand further at the expense of efficient agriculture.

In considering Mr. Wallace's testimony we must bear in mind that the figures he gave—1,450,000 tons—are more than 300,000 tons lower than the 1933 production, so that it is proposed by the President, by the Secretary of Agriculture, and by the Secretary of Agriculture's sugar adviser, to reduce the American quota nearly a third of a million tons in order to permit an increased importation of Cuban sugar.

Now, remember that sugar is a nonsurplus crop and that never yet have American producers been anywhere near able to approximate the demands of home consumption.

No President, no Congress, no candidate, and no public platform has ever before had the temerity to propose restrictions on American farmers producing a nonsurplus crop either in days of affluence or stress, and no Presidential advisers prior to these Presidential advisers ever had the impudence to suggest that American farmers like those in the Minnesota Valley and in the valley of the Red River of the North should be sacrificed in the interest of agriculture of a foreign country. Such a proposal is internationalism gone wild. It can be defended on no principle of justice, equity, or right. Nor can it be proven in any way by anyone that during a time of world-wide depression giving the American market increasingly to cheap Cuban labor will put in the pockets of said Cuban labor sufficient funds to noticeably increase their imports of American manufactured goods, American grains, or American pork and lard.

The people of Minnesota are vitally interested in the production of sugar beets. They are the State's one nonsurplus crop.

During the last season 37,000 Minnesota acres produced 94,517,200 pounds of sugar.

The records of the Beet Sugar Association show that more than 5,000 Minnesota field workers were given employment in sugar beets, and that the industry afforded employment to 894 office and factory workers.

Payments to railroads for freight last year totaled $812,000, and the payment for supplies, including cotton bags and coal, amounted to $559,000. During the past 5 years payments to farmers for sugar beets grown in Minnesota have averaged more than $2,000,000 annually.

Sugar beets and the beet-sugar industry represent a valued establishment and important industry in the North Star State. As one authority puts it:

Sugar beets have been grown in Minnesota since 1906, when the first factory was established at Chaska, just outside Minneapolis. In 1926 when agricultural experts were seeking a crop to restore the thousands of acres in the Red River Valley, which had grown thin and sour by constant wheat crops, the second factory was erected at East Grand Forks. The improvement of the Red River lands and the restoration of their fertility since that time are matters of common knowledge throughout the State. From time to time since 1926 various communities in the Red River Valley have petitioned that additional factories be established so that the farmers might be assured of one staple crop with a definite cash value.

Beets cannot be grown successfully by haphazard plantings which are often the case in corn and wheat. Beet culture requires an intense and intelligent rotation of crop, not only requires but actually enforces it. As a consequence of the industry, feeding operations spring up to utilize the beet top and beet pulp, and this farm-and-animal economy rehabilitates the soil through natural fertilizers.

Beets, as I have suggested, are not planted merely because a farmer has a few spare acres. On the contrary, beet lands and beet farms are built up to their highest possible fertility by farm management which is at once far-sighted and intelligent. To ask farmers to reduce or abandon acres after they have spent years in building them to the point of highest efficiency is a matter far more serious than the withdrawal of marginal lands from the production of wheat and corn.

Another authority, nationally known, writes me, in part, as follows:

I think if you would take time to find out just who raises beets, you would find from California to Minnesota only the better class of farmers are raising beets. You would also find that especially here in Minnesota and Iowa we employ but very few Mexicans, most of the labor being done by local white workers, who, under our present system of growing beets, earn from 40 to 60 cents an hour, which I think is comparable to the average wage that is being paid for most laboring work and more than what is being generally paid for farm labor.

It is the one crop that is not overproduced in this country and also about the only field crop that has actually given the farmer a profit, and I think, if you would talk to any business man in a community where beets are raised in the entire United States, he would tell you the beet farmer is in much better financial condition than any of his neighbors who are not growing beets.

We, here in Minnesota, operate only two factories, but last year we paid around two and one half million dollars to beet farmers, who, in turn, paid about $1,000,000 to beet labor, and we paid to railroads in excess of one million and a half.

The following is a telegram of protest from the president of the Northern Pacific Railroad to the Secretary of Agriculture:

ST. PAUL, MINN., *February 19, 1934.*

Hon. HENRY A. WALLACE,
Secretary of Agriculture, Washington, D.C.:

Seconding the protests which reach me from sugar-beet areas and on behalf of the Northern Pacific I urge you to reconsider announced plans for bringing about reduction in beet acreage. Maintenance of present acreage is vital and indeed an expansion of present acreage is highly desirable to farm business and transportation interests in areas especially adapted to production of this crop. Curtailment of the beet crop would be definitely harmful from recovery standpoint as it would adversely affect fertilizer, machinery, coal, beet by-products, chemical, bag, and transportation interests as well as labor in field and machinery. No obligation to other countries can possibly be superior to that owing to the people of continental United States. To reduce production of a crop of which the present production constitutes less than half of domestic requirements is agricultural adjustment run wild and is wholly unwarranted blight on our domestic agricultural industry as well as on others associated with the handling of its products.

CHARLES DONNELLY.

These are illustrations only, but they are conclusive proof of the vital importance of the joint industries of sugar beets and beet sugar to the hard-pressed people of Minnesota.

However much politicians may talk partisan politics, certain facts in this discussion stand out as true, proved, and unrefuted:

First. The principle of this bill has never been urged by the Democratic Party through its platforms, its Presidents, its candidates, or its leaders.

Second. The bill itself is a creature of those Presidential advisers so steeped in sovietism that in their zeal they will sacrifice much to inaugurate in this country the theories and economic planning of Russia.

Third. The bill proposes to sacrifice the interests of that portion of agriculture and industry deemed by these zealots to be inefficient in the interests of some mythical agriculture or industry declared by them to be efficient.

Fourth. It is a step in a pointed path, planned now to restrict and ultimately to destroy the sugar beet and beet-sugar industry in the United States.

It is possible to enlarge the proof by discussion of proposed Presidential action relative to manganese—a Minnesota product—to lumber, cement, and many other lines. I am quite content to rest my case on the effect this misbegotten bill would have upon the sugar interests of my home State.

This bill is one more step down the soviet highway. It proposes to vest supreme power in one man.

For decades the Democratic Party has cursed the Republican tariff. Now, in a time of world crisis, when they hold the Presidency and control the Senate and House, is it possible that this bill represents the best effort of their united minds—to hand the job to the President?

Mr. HOEPPEL. Mr. Speaker and Members of the House, as a Democratic Representative in this Congress, I have endeavored to live up to the principles of our 1932 platform in casting my vote. In furtherance of this mandate, I will support this measure, granting reciprocal tariff authority to the President, as a basic plank in our platform.

In this connection, however, I wish to call attention to several other features of our platform which as yet our party has failed to recognize through proper legislation. I refer to that provision which urges the enactment of every constitutional measure which will guarantee prices for basic farm commodities in excess of cost of production. I also refer to another plank which guarantees equal rights to all and special privileges to none. As yet we have not adequately legislated in accordance with these two basic planks of our platform, and I propose to refer to them later before concluding my remarks.

As a Representative from California, it is self-evident that I should seek to protect the best interests of my constituents but, at the same time, I should not be oblivious to the interests of the entire Nation. If the East and Middle West is prosperous, it naturally follows that they will purchase California products; and, following the natural inclination of most Americans, the people from these sections, once they are again prosperous, will continue to visit and settle in our Golden State, thus directly and indirectly adding to our prosperity.

This measure we are now discussing is fraught with enormous potentialities—potentialities which can be serious if improperly developed and administered—while the great good which will follow fair and just administration is self-evident. Having the fullest confidence in the President and believing sincerely that no Executive since Lincoln has been so sincere and honest in his endeavors, I feel justified in casting my vote to give him the power in his discretion to lower or increase tariffs in accordance with present law. The leading nations of the world all have reciprocal tariff authorities; and unless we clothe our Executive with the same authority, our position is somewhat analogous to that of the knight of old, in his old-fashioned armor, meeting a combatant trained and equipped in the light of modern military science. We are now fighting at a disadvantage in the marts of trade with foreign competitors who are using the most modern legislative equipment to secure economic advantages over us in international trade.

Candidly, I admit that questions of tariff are a distinct science and have only too often been applied to the advantage of certain groups or classes through the medium of politics and self-interest. It does not, however, require an expert to recognize the fundamentals of the Democratic platform, which pledges legislation for the farmers, to guarantee them the cost of production. For this reason, as far as agricultural commodities are concerned, I am in favor of increases in tariff rates wherever such, after due examination, are found to be to the best interest of agriculture and our Nation generally. I also favor granting the President authority for bargaining purposes to place a tariff on any article now on the free list. It must be borne in mind, however, that while the tariff may and should be utilized advantageously as a relief measure to aid in limiting our supply to a greatly diminished demand, it does not solve the problem by going to its heart.

The following table, showing a comparison of the imports of basic products of my district for the year 1926—before the enactment of the Smoot-Hawley Tariff Act of 1930—and the year 1932, and the average prices received for these products in California in those years, is enlightening:

Product	Year	Imports	Price in California
		Pounds	
Eggs (fresh, dried, and frozen)	1926	30,000,000	31.1 cents per dozen.
Do	1932	2,660,000	17.2 cents per dozen.
Lemons	1926	74,000,000	$2.81 per box.
Do	1932	7,700,000	$2.10 per box.
Oranges	1926	942,000	$3.05 per box.
Do	1932	1,745,000	$1 per box.
Walnuts (shelled and unshelled)	1926	49,000,000	$480 per ton.
Do	1932	12,063,000	$240 per ton.

During the regime of the do-nothing, around-the-corner Hoover misadministration, the record of the number of banks and their deposits tells an enlightening story.

June 30, 1928:	
Number of banks	26,213
Deposits	$58,431,061,000
June 30, 1932:	
Number of banks	19,163
Deposits	$45,390,269,000

From the foregoing we find that 7,050 banks failed during the administration of Hoover, notwithstanding that the Republicans promised us prosperity and a full dinner pail through the enactment of the high Tariff Act of 1930.

It will also be noted that during the period of the largest importation of certain basic products of my district the prices received were very much higher than they were during the year 1932, when the importation of eggs dropped 91 percent, and that of other basic products enumerated showed marked decreases, with the one exception of oranges, the importation of which, in 1932, was double that of 1926. These official figures indicate that a higher tariff, such as today exists, with diminished importations, does not control the domestic price of these commodities. The domestic price of American products is controlled by the law of supply and demand rather than by any artificial means, such as subsidized, diminished domestic production, or curtailed importations through the imposition of tariff barriers. Because of the greatly reduced purchasing power of our people, the demand for our products at home has been materially lessened, and we should recognize and admit that the restoration and increase of such buying power with its consequent natural increase in demand is an essential step in the practical solution of our present production problems.

It is my opinion that the N.R.A. must be amended to protect the interest of the consumer, as well as the employee, against the monopolistic control which today appears to be held by the employer class. It is not considered just to the consumer and the employee that the monopolies created under the various codes should permit price fixing and lack of competition without a compensatory enactment to limit the income of the code monopolists. In the interest of protecting the smaller business man, the consumer, and the worker, legislation should be enacted, amending the N.R.A. so as to limit the net income of the larger basic industries

of the Nation, including chain stores. If this is accomplished, it will permit the payment of higher wages with less hours of work and will contribute in a great measure to the solution of our unemployment problem.

Our transportation systems should also come under the provisions of the N.R.A. and their incomes be limited to an amount commensurate with their real value and not the watered value on which today they endeavor to pay dividends. False values (watered stock) of all basic industries should also be considered and incomes for these larger industries should be predicated entirely upon their real worth—and nothing more. Only in this manner will the consumer and employee be in a position to receive just compensation and the full benefits of the humanizing industrial advantages of the N.R.A.

Our platform declaration of equal rights to all and special privileges to none has not been observed by this Congress. An examination of the votes cast by the Members of Congress during this session, in my opinion, discloses that the virus of Wall Street and the anti-common-people serum of entrenched wealth has thoroughly inoculated many of the Membership of this Congress. It is ridiculous to me to find the Republicans on the Ways and Means Committee bringing in a minority report, opposing the enactment of this measure, and insisting, as they are, that Congress is surrendering its rights to the Executive, which, in my opinion, is absolutely unfounded. This bill does not change one iota of law respecting the minimum and maximum tariff rates which the President may fix. The President has this right today under existing law, and this bill merely gives him the authority to apply the law immediately, in his discretion, without the inordinate delay incident to the application of the archaic tariff laws which the Republicans have saddled on the Nation, and which, in my opinion, have brought us to our present international trade stalemate.

I have closely checked the votes of the solid block of Republicans who have signed the minority report opposing this measure, and find that in the four last record votes, practically every one of them voted in the interest of Wall Street and against the interest of the common man. If Wall Street has representation in the Congress of the United States, such representation is preponderant in the Republican representation. To be more specific, check, if you will, as I have, the vote of this minority group and their Republican colleagues on the gold devaluation bill, the bonus bill, the silver bill, and on the bill which authorizes the Federal Reserve System (privately owned) to coin money on the basis of dubious paper security.

The new deal is progressing along the road to recovery, but not with the speed that I anticipated. In the interest of the common people, the bankers' influence in Congress must be overcome in order that we may have an adequate expansion of currency and credit through the exercise of constitutional prerogatives and not through the acts of private international bankers who, to the detriment of the people, now control the printing of currency and the extension of credit.

The administration and the Democratic Congress have two important steps to take. If we were justified and legally within our rights in devaluing the gold content of the dollar to 60 percent of its former value, we have the right to further devalue the gold dollar, which should be done at once in the interest of reducing our private and public indebtedness. By no stretch of the imagination, should we continue to hold our gold dollar at a higher value than the equivalent value of the gold of our foreign competitors. We must reduce our gold base to an equal if not lower base than that of our foreign competitors in order to regain our international trade and thus make this bill we are discussing more effective.

If the Congress and the President have the authority to devalue the gold content of the dollar and if the President has the authority to increase the value of domestic silver to 64¼ cents per ounce as today applies, he also has the authority and should exercise it, to increase the value of silver to $1.29 per ounce. If this were done, our circulating medium would be increased, and credit expanded, with a result that credit could not be so easily controlled by the international bankers.

The remonetization of silver is anathema to the international banker and his American affiliates in Wall Street. If we remonetize silver, our country could move forward, free from the dominance of the Bank of England and the international group in Wall Street. Unfortunately for us as Americans, British influence, political, financial, and commercial—has kept our Nation from advancing economically as our wealth, energy, and national acumen would warrant. For this same reason, British influence, through propaganda, inveigled us into the World War.

Gold devaluation and complete rehabilitation of silver will free us from the control of the international bankers and the privately owned Federal Reserve System, neither of which rightfully has any place in this progressive age of the new deal. The American people are thinking as never before. Having the fullest confidence and the highest regard for a thorough Americanism and being fully conscious of the activity of American youth who are suffering more than any other, due to the thraldom in which they are placed by the international bankers, I anticipate that the next Congress will be composed of men younger in public service and endowed with a more sympathetic interest and understanding of the problems of the people. I predict that as a result of the infiltration of new blood in the Congress, we will reach that long-looked-for day of financial freedom, a freedom predicated upon the part ownership or control of the banking industry of America by our own Government, with the extension of credit to the farmer and worker by the Government upon the same liberal terms which the Government today offers the corrupt banking hierarchy of Wall Street and its affiliates.

Not only should control of our finances be taken from the small group of Wall Street financiers, but under the new deal we should initiate legislation which will more equitably distribute the profits received from labor in order that the farmer and wage earner may have not merely a living but a saving wage as a safeguard to themselves and families. Instead of taxing creative wealth by a consumption or sales tax, we should tax unearned and entrenched wealth by a larger tax on inheritances, estates, and gifts. Taxes on incomes in the higher brackets should also be increased. The new deal in order to be effective must abolish all tax-exempt securities, and thus force unearned wealth to pay its fair share of taxation. If we will tax those most able to pay we will then be in a position to provide old-age pensions and unemployment insurance, and thus by a more equitable distribution of the profits derived by the farmer and laborer in the production of wealth, and by granting to them proper protection under the law free our worthy citizens from the stigma of charity.

This tariff measure is a major forward move, and I gladly support it, but I am not oblivious of the greater benefit which will come to our people, provided we will remain free from the influence of paid propaganda of certain newspapers and radio speeches and think for ourselves when we cast our ballots in the approaching elections. Our ultimate solution is of our own making. Will we continue to flounder along, permitting the virus of the bankers to beguile the voters and contaminate the Congress, or will we demand in the new deal that there be shuffled out and discarded both the Republicans and Democrats in the Congress who by their past votes have indicated that they are more interested in maintaining the monopolistic financial hierarchy than they are in bringing economic freedom and recovery to our people?

Mr. COLMER. Mr. Speaker, so far as I am personally concerned, the approach of the conclusion of the debate on

this important piece of tariff legislation comes with a great deal of pleasure to me. I know of nothing that offers as bright a rift in the dark clouds of the depression as does this bill.

We have passed much legislation in the brief time that I have been a Member of this body that has as its purpose in the aggregate relief from the depression. However, much of this legislation has been of a transitory nature. Its purpose was to relieve it is true, and relief it has given in a large measure, but most of it has been in the nature of relief to particular instrumentalities of endeavor, as well as being of a temporary nature. It has in many instances been as surface treatment of particular eruptions, as salve or ointments applied to a cancerous growth. But in this particular piece of legislation we have something that is fundamental, that goes to the very bedrock of the economic morass; it goes to the root of the cancer itself. If this legislation is passed by the Congress, as I have every reason to believe that it will be, we will see relief of a permanent nature, a market for our crops, and an outlet for our manufactured products.

I am sure that it is not necessary for me to point out to you that it has been the custom of the nations of the world for the past decade to continue the fallacious policy of building their tariff walls higher and higher. This largely originated in this country when another political party and another school of thought were in the ascendancy, the political party which has as its policy the theory of government that government is for the purpose of enriching the few at the expense of the many. It originated with the enactment of the iniquitous Fordney-McCumber Tariff law. It was subsequently aggravated by the Smoot-Hawley Tariff law. Its purpose was to enrich the manufacturers of this country at the expense of the masses of American people. The result was inevitable. The other nations of the world with whom we formerly traded, naturally in self-defense, one after the other adopted a policy of retaliation. As a result of this short-sighted policy of selfishness in the minds of the big manufacturing interest of this country and enacted into law through the domination of a Republican Congress, our tariff walls were built so high that it was impossible for the nations of the world who imported our products to in turn export their products into this country. In retaliation they have been continually building their tariff walls higher and higher against the exports from this country until today, Mr. Chairman, we have the unfortunate spectacle of the principal trading nations of the world having built veritable Chinese walls about themselves, this Nation having been the aggressor.

The foreign nations have said in substance to us that if we cannot ship our exports into your country then you cannot ship yours into ours. This is but another way of the child saying to its neighbor child, "If I can't play in your back yard, then you can't play in mine."

The inevitable consequence of this selfish, short-sighted policy is reflected in the exports and the imports of this country. It has further resulted in the factories which the Government sought under this regime to assist becoming idle. It has resulted in distress and unemployment among our laboring people. Moreover, it has resulted in the surplus products of our farms, which we formerly shipped to the other countries of the world, having no market and our farms being foreclosed under the mortgage hammer. Millions of our people who formerly labored in the factories of our industrial centers have been pounding the sidewalks of our cities seeking an opportunity to earn an honest livelihood, while millions of our farmers and farm hands have been forced to walk down the dusty highways of our rural sections, unemployed and in many instances the recipients, through necessity, of a dole system which is sapping the vitality of the Nation. Our ships which once sailed the high seas are tied up in the harbors of this country growing barnacles and sea weeds upon their hulls, while the sailors who sailed them through the lanes of the sea have been added to the lists of unemployed.

The difference between prosperity on the one hand and depression on the other in America is a market for the surplus products, both agricultural and manufactured, on the one hand and the absence thereof on the other. America has always been a nation which produced a surplus. A market for that surplus is essential to the welfare and prosperity of its people. Until we can restore this world market, we will have the necessity with us for such expediences as plowing up cotton, wheat, and corn or limiting their production. It is my sincere opinion that if the President is given the broad powers provided for in this bill to make reciprocal trade agreements, there will be no longer a necessity for such drastic expediences as acreage reduction, doles, and other forms of Federal financial assistance to our people.

Prior to the enactment of the Fordney-McCumber and Smoot-Hawley Tariff laws and the subsequent retaliatory barriers erected by the other nations of the world, this country enjoyed a marked degree of prosperity. I do not have the figures available farther back than 1929, but these show that the export trade of certain important countries of the world has declined alarmingly since that time under the short-sighted retaliatory tariff policy of those countries. In 1929 the export trade of this country was $5,157,083,000. In 1932 the export trade of this country had declined to a new low of $1,576,821,000. This has been the experience of certain other important countries of the world, as is reflected by the following tabulation of statistics, furnished me by the United States Tariff Commission.

Export trade of certain important countries (in currency of the country reported), calendar years 1929–32, inclusive, showing percent of change from 1929 [1]

[In thousands; i.e., 000 omitted]

Country	Monetary unit	1929	1930	1931	1932
United States	Dollar	5,157,083	3,781,172	2,377,982	1,576,821
Percent of change			−26.7	−53.9	−69.4
Canada	Dollar	1,182,412	885,996	605,336	493,809
Percent of change			−25.1	−48.8	−58.2
United Kingdom	Pound	729,349	570,755	390,622	365,138
Percent of change			−21.7	−46.4	−49.9
France	Franc	50,139,151	42,835,321	30,435,794	19,693,236
Percent of change			−14.6	−39.3	−60.7
Germany	Reichsmark	13,482,670	12,035,593	9,598,608	5,739,168
Percent of change			−10.7	−28.8	−57.4
Belgium	Franc	31,783,644	26,060,207	23,235,797	15,130,450
Percent of change			−18.0	−26.9	−52.4
Italy	Lira	15,235,977	12,119,181	10,036,967	[2] 6,197,249
Percent of change			−20.5	−34.1	−59.3
Denmark	Krone	1,615,605	1,523,660	[3] 1,259,681	1,081,992
Percent of change			−5.7	−22.0	−33.0
Norway	do	752,046	684,001	466,472	567,356
Percent of change			−9.0	−38.0	−24.6
Poland	Zloty	2,813,359	2,433,244	1,878,597	1,083,801
Percent of change			−13.5	−33.2	−61.5
Switzerland	Franc	2,104,455	1,767,502	1,348,798	801,008
Percent of change			−16.0	−35.9	−61.9
Japan (proper)	Yen	2,103,719	1,434,644	1,121,580	1,365,812
Percent of change			−31.6	−46.6	−34.4

[1] Affected by change in both price and quantity.
[2] 11 months ended November.
[3] Includes salt-water fish exported directly to foreign countries.
Source: Official statistics as published by each country.

In this connection, if I may, I should like to call the attention of the Congress to the fact that under this policy of tariff legislation many of our larger manufacturers, in order to escape the penalties provided by the other countries in the way of import duties in retaliation against this country for the Chinese walls that it had built about itself in its tariff policy, have erected factories in many of the foreign countries. They found that by doing this they could market and manufacture products profitably to themselves. But what has been the effect on this country? An analysis of this shows that millions of dollars of American capital, accumulated in America and which should be employed in America in order to give work to unemployed Americans, is being utilized in foreign countries to employ foreign labor at the expense of the American citizenship. This has been notably true in the case of the automobile industry. We find that many of our leading automobile manufacturers

of popular-priced cars are today manufacturing their automobiles and tractors with American capital and foreign labor on foreign soil. America is the loser.

But the argument is made—and chiefly on the other side of this Chamber by those who were responsible for this condition—that this legislation gives to the President too much power. This argument is fallacious and unworthy of consideration. It is animated by two factors: First, it is political; and, second, the gentlemen over there (Republican side), as we unfortunately too well know, belong to that school of thought which believe in a protective-tariff policy for the enrichment of the moneyed interest of this country at the expense of the masses of the people of the country. May I not say to my Republican brethren, in all sincerity and candor, that they must realize that had it not been for the fact that an all-wise Providence saw to it that this great President of ours, Franklin Delano Roosevelt, was elected to the Presidency of the United States at the time when there were clouds of unrest, unemployment, chaos, and a condition bordering on a revolution, this country could not have gone on for another 6 months as it was going; and may I not say further along this line that you had just as well come along with him in his program of the new deal, however foreign it may be to your tastes and however contrary it may be to your wishes. For you must realize that if he does not succeed in his program of the new deal there is not going to be a Republican to succeed him. The people of this country have awakened from their lethargy and they are for the new deal. They have tried the party represented by the gentlemen to my left; and of one thing you may be assured, and that is that they are not going to place you in power again, at least at any time soon.

Of course, we realize that there are many Members of Congress who are opposed to giving the President this power to lower and raise the tariff within a 50-percent degree as he would have the power to do under the provisions of this legislation. There are too many selfish and conflicting interests for it to be otherwise. Picture what would happen if we were to undertake here in Congress to fix, either by lowering or raising, the tariff on the thousands of commodities affected. This Congress, should it undertake to do so, would be wrangling here for the next 6 months on this tariff bill alone, and at the end of that time we would have gotten no place. This bill provides for an all comprehensive, equitable, and just scheme for the control of this vexatious problem. It gives to the President the power to promote and expand foreign trade for the products of the United States as a means of assisting in restoring the American standard of living, in overcoming domestic unemployment, and in increasing the purchasing power of the American public in the present emergency as well as an opportunity to establish and maintain a better relationship among the various branches of American agriculture, industry, mining, and commerce. It also offers a wonderful opportunity in a strife-ridden world for a better international understanding and more amicable relations between the nations of the world.

In 1921 the immortal Woodrow Wilson, whose body rests a few blocks from here in a crypt in Bethlehem Chapel, in speaking on this tariff question, gave expression, as the great Democratic leader that he was, to the everlasting truth of the thought which animates my mind today. It was true then; it is truer now. He said:

> Clearly, this is no time for the erection of high trade barriers. It would strike a blow at the successful efforts which have been made by many of our great industries to place themselves on an export basis. It would stand in the way of the normal readjustment of business conditions throughout the world, which is as vital to the welfare of this country as to that of other nations.

Mrs. CLARKE of New York. Mr. Speaker and Members of the House, as we have listened here to the highly technical discussion of tariff rates and figures in this debate, it has occurred to me that the situation we are facing might perhaps be more sharply presented by specific cases of particular industries.

For that purpose I am citing the shoe industry, which is of great value and importance to the people whom I represent.

There is in my district a plant that was transformed by one man from a struggling, indifferent enterprise located in a small country town, with a single factory that gave employment to but 200 people and produced but a thousand pairs of boots per day, into three thriving, prosperous manufacturing cities—all within a radius of a few miles—having an aggregate population of 30,000 and 22 factories, with a combined production averaging over 130,000 pairs of shoes per day. There are 17,000 workers, each with a personal interest in the enterprise, because after a dividend has been paid on the preferred and the common stock the balance of the profits is equally divided between the workers and the owners of the common stock. In addition, many of the workers are stockholders in the company. There has never been a strike, production is maintained, and, in 1925, the workers gathered dividends amounting to to nearly $1,200,000, or practically 5 percent on the $21,000,000 paid in actual wages in 1 year. The employer watches over and protects the interests of every employee. Food is assembled in public markets promoted by a community organization. The workers' city provides three hospitals, with complete medical service without charge to the employees and their families. Pensions are allowed for the old, and sick-relief and death benefits are provided for. The community supports a large park and playground, swimming pools, and everything to make life attractive to the workers and promote the feeling of shareholders in this great common enterprise.

The homes which are mostly owned by the employees are built and sold at cost and sometimes less.

Just 3 or 4 years ago, for the first time in the history of the shoe industry, the competition of cheap labor abroad and the introduction of American shoe machinery and American methods into foreign countries threatened this city as well as the industry, so the workers and owners of these manufacturing concerns came before Congress urging that the shoe industry, in common with other American industries, should have protection from cheap labor and unfair competition and so do its part toward the restoration of prosperity.

There are many unique features in this particular enterprise, because its founder is unique; yet I know from personal observation that in a general way it fairly reflects the life, the problems, the standards, and the people of dozens of shoe-manufacturing communities in the districts represented by nearly 100 of the Members of this House.

In the manufacture of shoes alone, Mr. Speaker, 17 of our States are vitally concerned, and by actual count there are 72 of our congressional districts where shoemaking is one of the leading industries. What I am going to say this afternoon touches the lives and the welfare of many millions of persons outside of my own district.

The people of our factory city, like the people of the other shoe-manufacturing communities of the country, Mr. Speaker, are fairly representative of the American standard of living. When I speak of the American standard, I mean bathtubs as well as radio sets, comfortable and hygienic houses, as well as automobiles, well-dressed, well-educated children, as well as fur coats, and money to put on the collection plate on Sunday, as well as money to spend on vacation in the summer.

In short, I am talking about a typical American cross-section of modest, reasonable, but comfortable living, which includes some things which were regarded as luxuries a few years ago. Now, note, if you please, they still are regarded as luxuries in many parts of the world but are taken as a matter of course in the American standard of living.

Some of those things, ladies and gentlemen of the House, strike the line of demarcation between the living standards of the American workman and the living standards of workmen and their families in other parts of the world.

Realization of that fact is fundamental in this entire tariff question which Congress is now facing in an entirely new aspect.

The American workman lives as he lives because of the prosperity attendant upon the industry in which he is engaged. Just as long as the industry continues in normal prosperity, just so long will he be able to enjoy the same sort of substantial, sensible living that his neighbors in other lines of industry enjoy.

I am not one of those who believe that Congress can or should attempt to legislate prosperity. I think that is the wrong way of looking at the whole problem. I urge that it is not the function of Congress and it is not the intent of government to lift any group bodily from a particular economic condition through artificial means. That is not the American idea. History suggests that it is a trick of the legislative bodies of decadent peoples.

But I think we are all agreed, Mr. Speaker, to this general proposition: That it is the function of the Congress to insure equal opportunity. That is all we are discussing when we talk about the threat which is now menacing the American shoe business generally.

The shoe industry is unique among American industries in its relation to the tariff schedules of this country. It has not enjoyed until recently the tariff protection accorded to most of the other manufacturing industries of the United States on the bulk of its output. Now and again, as tariff schedules have been revised, there have been suggestions for a protective duty on the all-leather boots and shoes which have had no protection, and the superiority of American shoemaking machinery has been such that no real economic necessity was then found to exist by the tariff makers for a protective schedule on boots and shoes. The placing of such a tariff came later.

One result of economic conditions has been to stimulate the master shoemakers of this country to a high plane of mass production, so that they have improved their machinery both in efficiency and in total output. They have made, and are making, more shoes and better shoes than may be found anywhere else in the world.

American brains and American hands made that possible. Sallying forth into the world arena with no protective tariff shield to aid them, they fought a good fight and they held their own. As long as their mechanical weapons of production were superior they could do that and still pay American wages in competition with the cheap-labor-made shoes of other countries. If it had been merely a case of competing on a base of labor costs alone, Mr. Speaker, the American shoe industry would have found protection necessary long before it did, because there is a vast difference between the wages paid the American shoemaker and the wages paid the foreign shoemaker. The average wage in the city I am citing as an example is $1,500 a year, and I understand the average wage of the foreign shoemaker is about $300 to $500 a year—from one fifth to one third of the reasonable American scale.

But there was a compensating factor, and that factor was the American invented and produced shoemaking machinery of which I have spoken. Its mass production, its high state of perfection gave the American manufacturer an advantage in production costs which enabled him to compete with the foreign shoe manufacturer and still pay American labor a living wage.

So things went along very well until the foreign shoe manufacturer, as was inevitable, began to buy and use American machines for shoe manufacture, and then it was a different story. The land was flooded with shiploads of cheap shoes from Czechoslovakia, which, with a great ballyhoo of advertising, were scattered throughout the stores of the land. I myself—I blush to state—succumbed to the bargain lure and bought two pairs of so-called "Deauville" sandals for $2.95. They looked as good as any shoe, but after one tramp through the dew-laden grass of my country home they became so shrunken and distorted as to be no longer wearable—not much of a bargain.

This shoe industry located in my district, which I have described, approximates the American ideal of a localized manufacturing plant. It, indeed, approximates the President's own ideal of a manufacturing community. Also its present operation assures all the objectives of the N.R.A. And yet it is almost certainly one of those industries which would be subject to destruction under this new definition of an inefficient industry. If plants of this sort are to be destroyed in order that we may all be forced to wear the cheap and shoddy shoes produced for a pittance in foreign factories—whose cheapness is to be proof of their efficiency—then it follows, of course, that all the less ideal plants will already have been destroyed, and hundreds of the employer class will no longer be able to employ anybody. Then, when the employer class is destroyed, what is there left but for the Government to furnish everyone with a living? May I ask, Where is the money to come from when there is no longer prosperous industry in this country to be taxed?

Is this not a perfect illustration of the well-known "vicious circle", the process sometimes described as "killing the goose that lays the golden eggs"?

Mr. PEAVEY. Mr. Speaker, I voted for the reciprocal tariff bill to give the President authority to raise or lower tariff rates for the following reasons:

First, the platform of the National Republican Party for 1928 promised to revise the tariff rates so as to place agriculture on a parity with industry. Those promises have never been fulfilled. In 1930, under Republican control, the Congress passed the Hawley-Smoot tariff bill. That bill, because of the high rates fixed on manufacturer and industrial commodities, increased the disparity between agriculture and industry. I voted against the Hawley-Smoot bill for that reason.

Republican opponents of this bill say the President will reduce some of these high tariff rates. I hope they are right. That is another reason I am for this bill; to reduce some of the extortionate rates on iron, steel, aluminum, and textiles named in the Hawley-Smoot tariff bill. The farmers and common people of my district know that they are being made to pay these high tariffs every time they buy a plow, a wagon, or a machine of any kind. Our wives and mothers know they are being made to pay a tariff in the high prices they pay every time they buy a dress or a dish pan.

We people from the Middle West are being made the goats under the present tariff system. Eastern manufacturers and industrialists are collecting their tariff tribute or subsidy direct from us because they can control their production and fix the price free from competition. It is true the Hawley-Smoot bill provides protection on our agricultural products, but we produce more of these than we can consume and hence we must sell them in competition with the world market and even then the American farmer can realize little benefit from the tariff because they can neither control their production or fix their sale price.

I am a firm believer in the principles of a protective tariff to cover the difference in labor at home and abroad, but further than that I refuse to yield. I am unalterably opposed to the license granted by the Hawley-Smoot bill to exact a tribute from the consumers of the country and to swell the profits of industrial monopolies. Such license is contrary to the very essence of free government. I am opposed to the present tariff law because it raises the cost of living, because it puts the farmers further in the hole, because it seriously injures our foreign trade.

So, Mr. Speaker, the bill offers the only chance Members of this House will have in this Congress to vote for a possible 50-percent reduction of the Hawley-Smoot tariff rates.

I am for this bill because I believe that President Roosevelt will reduce some of these high rates and thereby reduce

the cost of living. The Wisconsin farmer and working man cannot continue to pay high prices for the necessities of life on present prices of farm products and low wages.

I have another reason for supporting this bill. The Republican candidate for President in 1928, Mr. Hoover, promised the people of the Northwest the St. Lawrence waterway. That is another unfilled promise. The St. Lawrence Treaty was submitted to the United States Senate this year by President Roosevelt. It was defeated but everyone will concede that President Roosevelt did everything in his power to secure the adoption of the treaty. Passage of this bill gives the President power to reduce by 50 percent the extortionate tariff rates put on nearly everything the American farmer has to buy to eat, to wear, to live, and to operate the farm as fixed by the Hawley-Smoot Tariff Act.

I voted for this bill because I believe the President has the wisdom and political backbone to put agriculture on a parity with industry by reducing the high protection afforded industry which is being paid by the American farmers and consumers. There is only one way to put agriculture on a parity with industry and that is by reducing the tariff on the industries that produce what the farmer has to buy. Hoover promised to do this in 1928, but he got cold feet. Under the terms of this bill Roosevelt can, as he did with the St. Lawrence Waterway Treaty, redeem another 1928 Republican platform pledge to the folks of Wisconsin. I believe he will.

Mr. HASTINGS. Mr. Speaker, the tariff question is as old as our Government. The debates on the present bill have been illuminating and exhaustive. The report submitted by the Committee on Ways and Means abundantly justifies the enactment of this bill.

The bill as introduced contained but two sections. The purpose of the bill, to expand our foreign markets, is clearly set forth in the first section.

For the purpose of expanding our foreign trade the President, under the terms of the bill, is authorized from time to time—

(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions * * * as are required or appropriate to carry out any foreign trade agreements that the President has entered into hereunder.

The bill provides that no increase or decrease of the tariff shall be greater than 50 percent of the present rate of duty, nor shall any article be transferred from the free to the dutiable list.

The President is given broad powers to suspend the application to articles grown, produced, or manufactured by any country, because of its discriminatory treatment of American commerce.

The life of the bill has been limited to 3 years, by amendment.

The exhaustive discussion of the bill has been largely directed to two points:

First, the constitutionality of the bill has been assailed.

The report of the committee deals exhaustively with the question of the constitutionality of the bill and the history of similar tariff legislation delegating such powers to the President.

Similar power was conferred by the act of Congress of June 4, 1794, in which the President was authorized and empowered—

Whenever, in his opinion, the public safety shall so require, to lay an embargo on all ships and vessels in the ports of the United States * * *.

In the act of June 13, 1798, to suspend commercial intercourse between the United States and France, it was provided:

Then and thereupon it shall be lawful for the President of the United States, being well ascertained of the premises, to remit and discontinue the prohibitions and restraints hereby enacted and declared; and he shall be, and is hereby, authorized to make proclamation thereof accordingly.

This authority granted by the act of June 13, 1798, was very similar to the authority conferred upon the President in the present bill.

As the report of the committee indicates, similar authority was conferred over commerce to the President by various other acts of Congress. Many of them are cited in the report of the committee.

By the act of March 3, 1815, it was provided:

Whenever the President of the United States shall be satisfied that the discriminating or countervailing duties of such foreign nation, so far as they operate to the disadvantage of the United States, have been abolished.

In the Tariff Act of 1890 it was provided:

Whenever and so often as the President shall be satisfied that the Government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which, in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power, and it shall be his duty, to suspend, by proclamation to that effect, the provisions of this act.

This power is almost identical to that conferred upon the President in the present bill.

Mr. Justice Harlan, in the case of *Field* v. *Clark* (1892; 143 U.S. 649, 681), speaking for the Court, said:

The Court is of opinion that the third section of the act of October 1, 1890, is not liable to the objection that it transfers legislative and treaty-making power to the President.

The Tariff Act of 1897 conferred similar authority upon the President and authorized and empowered him to suspend during the time of such agreement or concession, by proclamation to that effect, the imposition and collection of the duties mentioned in that act.

Similar authority was contained in the Tariff Act of 1909 and the Fordney-McCumber Act of 1922.

The constitutionality of these delegations of power was challenged, but was sustained by the Supreme Court in the case of *Hampton & Co.* v. *The United States* (1928; 276 U.S. 394), wherein the Chief Justice, speaking for the Court, said:

The same principle that permits Congress to exercise its rate-making power in interstate commerce, by declaring the rule which shall prevail in the legislative fixing of rates, and enables it to remit to a rate-making body created in accordance with its provisions the fixing of such rates, justifies a similar provision for the fixing of customs duties on imported merchandise.

The history of tariff legislation and the fact that similar powers were delegated to the President as early as 1794, soon after the Constitution was adopted, and while many members of the Constitutional Convention were alive and some of them were serving in Congress, and the uniform holding of the courts in the interpretation of similar powers delegated in a large number of acts of Congress, justifies our assuming that this act is constitutional and is not an unreasonable delegation of power to the President.

The second question involved is what is sought to be accomplished through reciprocal trade agreements authorized by the act.

Everyone knows that our foreign trade has fallen off for the past few years and has reached a point where it is almost negligible. We must have a foreign market for our surplus agricultural and manufactured products. The effect of the loss of our foreign trade has been particularly disastrous to the agricultural sections of the country. The 1933 cotton crop sold for as low as 5 cents per pound at the end of the marketing season, and everyone knows that this price was ruinously below the cost of production.

We regularly export about 60 percent of our cotton. When our foreign market is lost the cotton produced is sold upon our domestic market, and the result is an extremely low price for the South's staple product, which is cotton.

For the year 1933 we produced 13,177,000 bales of cotton. It is estimated that our carry-over cotton was approximately 11,500,000 bales.

For the year 1933 we produced 527,413,000 bushels of wheat. We export on an average of 10 percent of our wheat. In the event we cannot find a foreign market for our surplus wheat it is dumped on our domestic market, which results in a ruinously low price for wheat to the farmers.

For the year 1933 we produced 2,330,237,000 bushels of corn, and exported 5,364,649 bushels. Most of our corn is fed to livestock.

Everyone knows that our imports as to cotton, wheat and corn are negligible. We import a little long-staple cotton from Egypt, which is used in thread and automobile manufacturing, and a little corn from the Argentine, used in the manufacture of breakfast foods, and we import no wheat of any consequence except a little from Canada, which is shipped in, in bond, milled, and then shipped out.

Anyone familiar with the facts, and who makes a reckless statement that a tariff on our imports of wheat, cotton, and corn, or any other agricultural product, of which we regularly raise a surplus, is beneficial, should be "bored for the hollow horn." It is an irresponsible statement, one that is not justified, and one that cannot be defended.

However, the entering into of trade agreements in order to expand our foreign markets for our agricultural and manufactured products, is beneficial, it is extremely important to the people of this country, and there is no other piece of legislation which is so essential to recovery, particularly to the farmers of the country, than legislation such as this, which has for its purpose the regaining of our foreign trade.

This bill is temporary legislation as the following amendment clearly shows and is to meet an emergency: "The provisions of this act shall terminate 3 years from the date of its enactment." It gives the President broad powers in this emergency. We hope to see many new agreements entered into immediately.

Instead of cotton selling for 5 cents per pound, as was the case at the close of the marketing season of 1932, our hope is that it will sell around 20 cents per pound, which would enable the producers to pay their taxes, meet their other obligations, and live on the farm with some degree of comfort.

Instead of wheat selling at 25 cents per bushel, as in the summer of 1932, we hope, with an expanding market for wheat, that it will sell around $1.50 per bushel and enable the wheat farmers of the country to meet their indebtedness.

With general prosperity returned, and with an active foreign market restored, we look forward to seeing our livestock, in the form of meats, in every foreign market of the world, thus insuring a better price for both livestock and corn. The advantages of this bill can hardly be overestimated.

Everyone appreciates that we cannot live commercially to ourselves alone. We hope to see trade agreements entered into with foreign countries and our foreign trade restored.

In order to avoid any doubt upon the subject of foreign debts there was added an amendment to the bill which provides:

> Nothing in this act shall be construed to give any authority to cancel or reduce in any manner any of the debts of any foreign country to the United States.

I heartily favored this amendment, as I have never voted for the reduction of any of these foreign debts.

After we entered the World War we paid all of our own indebtedness, and I do not favor the reduction by one penny of the indebtedness of any foreign country.

I am appending hereto for the information of the public a statement relative to the indebtedness of the foreign governments to the United States prepared by the Treasury Department showing balance due as of January 4, 1934:

Statement relative to indebtedness of foreign governments to the United States as of Jan. 4, 1934

	Total indebtedness	Amounts not paid according to contract terms			
		Total	Original funding agreements		Under moratorium agreements (joint resolution of Dec. 23, 1931) (amount)
			Principal	Interest	
FUNDED INDEBTEDNESS (JULY 1, 1932–JAN. 4, 1934)					
A. Countries which have made payments in full of amounts due: Finland	$8,726,645.63				
B. Countries which have made payments on account of amounts due, July 1, 1932, to Jan. 4, 1934:					
Czechoslovakia	165,283,195.35	$2,852,898.61	$2,670,085.83		$182,812.78
Great Britain	4,636,157,358.30	176,120,246.63	32,000,000.00	$134,399,481.58	9,720,765.05
Greece	32,583,338.65	1,379,690.83	694,000.00	605,384.00	80,306.83
Italy	2,008,103,288.76	13,687,010.12	12,300,000.00	490,854.24	896,155.88
Latvia	7,312,658.38	286,452.10	47,500.00	223,687.84	15,274.26
Lithuania	6,554,544.23	221,169.92	39,705.00	167,781.66	13,683.26
Rumania	63,871,783.49	1,048,750.08	1,000,000.00		48,750.08
Total	6,919,866,167.16	195,596,228.29	48,751,290.83	135,887,189.32	10,957,748.14
C. Countries which have made no payments on account of amounts due, July 1, 1932, to Jan. 4, 1934:					
Austria	23,757,934.13	34,767.23			34,767.23
Belgium	411,166,529.09	11,309,453.88	4,200,000.00	6,625,000.00	484,453.88
Estonia	17,784,695.59	989,985.29	135,500.00	817,900.00	36,585.29
France	3,960,772,238.30	82,308,312.22	21,477,135.00	57,784,297.50	3,046,879.72
Germany (reichsmarks converted at $0.2382)	724,186,740.53	959,377.17		595,157.59	364,219.58
Hungary	2,051,938.61	114,628.64	25,070.00	85,333.06	4,225.58
Poland	222,560,466.43	12,317,829.71	1,625,000.00	10,236,600.00	456,229.71
Yugoslavia	61,625,000.00	525,000.00	525,000.00		
Total	5,423,905,542.68	108,559,354.14	27,987,705.00	76,144,288.15	4,427,360.99
Total under funding agreements	12,352,498,355.47	304,155,582.43	76,738,995.83	212,031,477.47	15,385,109.13
UNFUNDED INDEBTEDNESS					
Armenia	20,313,416.66	20,313,416.66	11,959,917.49	8,353,499.17	
Nicaragua	416,550.13	416,550.13	289,898.78	126,651.35	
Russia	337,223,288.14	337,223,288.14	192,601,297.37	144,621,990.77	
Total unfunded indebtedness	357,953,254.93	357,953,254.93	204,851,113.64	153,102,141.29	
Total	12,710,451,610.40	662,108,837.36	281,590,109.47	365,133,618.76	$15,385,109.13

Compare the indebtedness shown by the above table with the table inserted below and it will be found that the indebtedness has been increased instead of decreased. I feel sure that every patriotic citizen of this Nation, when he realizes

that our Nation paid its expenses in full during the World War, will agree that all foreign nations should pay in full for our advancements to each.

On December 12, 1929, I made a speech in the House against the French debt settlement, which canceled $4,627,-225,895.83 of France's indebtedness to our country. When the Italian debt settlement was up for consideration I also vigorously opposed it. I urged, on all occasions, when these bills came up for consideration that the amounts remitted or canceled were transferred to the taxpayers of our own country. That was literally true.

For the information of the people of the country I am again inserting an official table, prepared by the Treasury Department as of date when the settlements were made, showing (1) the countries with which settlements have been made, (2) the date of agreement, (3) the amount of debt funded, (4) interest to be received, (5) total amount to be received, (6) the amount that would have been received on a British basis (3–3½ percent interest), (7) total amount that would have been received on a 4¼-percent interest basis, (8) total amount canceled on a 4¼-percent interest basis, and (9) total aggregate amount, being $10,705,618,-006.90, canceled, lost, or remitted in all of the settlements.

Countries	Date of agreement	Funded principal	Interest to be received	Total	Total that would be received on British basis (3 – 3½-percent interest basis)	Total that would be received on 4¼-percent interest basis	Total canceled on a 4¼-percent interest basis
Belgium	Aug. 18, 1925	$417,780,000.00	$310,050,500.00	$727,830,500.00	$1,041,597,000.00	$1,191,052,000.00	$463,221,500.00
Czechoslovakia	Oct. 13, 1925	[1] 15,000,000.00	[1] 197,811,433.88	312,811,433.88	252,890,000.00	327,854,000.00	15,042,566.12
Estonia	Oct. 28, 1925	13,830,000.00	19,501,140.00	33,331,140.00	[1] 33,331,000.00	39,428,000.00	6,096,860.00
Finland	May 1, 1923	9,000,000.00	12,695,055.00	21,695,055.00	[1] 21,695,000.00	25,658,000.00	3,962,945.00
France	Apr. 29, 1926	4,025,000,000.00	2,822,674,104.17	6,847,674,104.17	9,708,825,000.00	11,474,900,000.00	4,627,225,895.83
Great Britain	June 19, 1923	4,600,000,000.00	6,505,965,000.00	11,105,965,000.00	[1] 11,105,965,000.00	13,114,172,000.00	2,008,207,000.00
Hungary	Apr. 25, 1924	1,939,000.00	2,754,240.00	4,693,240.00	[1] 4,693,000.00	5,538,000.00	834,760.00
Italy	Nov. 14, 1925	2,042,000,000.00	365,677,500.00	2,407,677,500.00	4,923,820,000.00	5,821,552,000.00	3,413,874,500.00
Latvia	Sept. 24, 1925	5,775,000.00	8,183,635.00	13,958,635.00	[1] 13,959,000.00	16,464,000.00	2,505,365.00
Lithuania	Sept. 22, 1924	6,030,000.00	8,501,940.00	14,531,940.00	[1] 14,532,000.00	17,191,000.00	2,659,060.00
Poland	Nov. 14, 1924	178,560,000.00	257,127,550.00	435,687,550.00	[1] 435,688,000.00	509,058,000.00	73,370,450.00
Rumania	Dec. 4, 1925	44,590,000.00	[1] 77,916,260.00	122,506,260.05	107,488,000.00	127,122,000.00	4,615,739.95
Yugoslavia	May 3, 1926	62,850,000.00	32,327,635.00	95,177,635.00	154,651,000.00	179,179,000.00	84,001,365.00
Total		11,522,354,000.00	10,621,185,993.10	22,143,539,993.10	27,819,134,000.00	32,849,158,000.00	10,705,618,006.90

[1] Settlement made on British basis.

This table is official. The figures prepared by the Treasury Department cannot be disputed. We lose, cancel, forgive, or remit on the settlements with the 13 countries, based on 4¼-percent interest, the amount we pay on our Liberty bonds, the proceeds from which we loan these Governments, $10,705,618,006.90.

On the basis of the British settlement, 3 percent for the first 10 years and 3½-percent interest thereafter, we cancel or lose $5,675,474,006.10.

This is a gift through the remission of interest of nearly a million dollars per day to 12 European countries.

The difference between 4¼-percent interest our Government pays on our Liberty bonds and the interest received by us in these settlements represents a loss to the American taxpayers of $332,261,750 for 1929.

I am sure the people generally are not advised as to what Congress has done in these debt settlements, nor do they know that these settlements agreed upon aid the large financial interests to negotiate large loans with generous discounts.

I do not believe the people of my State, for example, would approve this settlement or the Italian debt settlement. Italy pays no interest this year, but in 5 years from the date of the settlement will begin to pay at the rate of one eighth of 1 percent. We are paying Liberty bondholders on this debt in 1929 $85,935,000 and receive no interest—not a penny—in return. The interest on the Italian debt is increased during 5 yearly periods at the rate of one eighth of 1 percent per period, until, during the last 7 years, the maximum interest received is only 2 percent.

Surely this is a large burden for the taxpayers to bear to appease the greed of the bankers who are making loans at high rates and upon large commissions. The people, when they know the truth, will withhold their approval of these settlements.

Mr. DINGELL. Mr. Speaker and Members of the House, I want to express my views in connection with the bill to amend the Tariff Act of 1930, and in connection therewith I want to touch upon the absolute necessity for reciprocal trade agreements as a means toward recovery.

I have heard so much in these debates about destruction of inefficient industries, and invariably the inference is drawn that the President of the United States intends that certain industries shall be sacrificed, even though it were possible to save them.

Every Member of the House of Representatives, I presume, has received correspondence from the American Manufacturers Export Association, urging the support of the Membership for the President's request for authority to negotiate reciprocal trade agreements under the provisions embodied in this bill. A specific resolution urging such powers was passed in May of 1933. A pamphlet expressing the policy of this association of exporters was appended with each communication. There is not an individual in Congress who is not impressed with the significance of this expression when we take into account the industrial giants whose names appear on the official letterhead. I should like to include as part of the RECORD the names which appear thereon.

James D. Mooney, General Motors Export Co., New York.
F. W. Nichol, International Business Machines Co., New York.
Harry Tipper, American Manufacturers Export Association, New York.
O. J. Abell, American Manufacturers Export Association, New York.
Francis T. Cole, American Manufacturers Export Association, New York.
L. C. Stowell, Dictaphone Corporation, New York.
P. S. Duryee, Chase National Bank, New York.
L. O. Bergh, Marvin & Bergh, New York.
W. J. Shortreed, H. J. Heinz & Co., Pittsburgh.
George W. Koenig, International Harvester Co., Chicago.
H. R. Horsey, Coca-Cola Export Co.
C. E. Arnott, Socony-Vacuum Corporation, New York.
George F. Bauer, National Automobile Chamber of Commerce, New York.
Henry S. Beal, Sullivan Machinery Co., Chicago.
Willis H. Booth, Guaranty Trust Co., New York.
Walter S. Brewster, Pacific Mills, New York.
Mason Britton, McGraw-Hill Publishing Co., Inc., New York.
Walter P. Chrysler, Chrysler Corporation, Detroit.
C. K. Davis, Remington Arms Co., New York.
D. E. Delgado, Eastman Kodak Co., Rochester.
James L. Donnelly, Illinois Manufacturers Association, Chicago.
W. J. Edmonds, International General Electric Co., New York.
E. A. Emerson, Armco International Corporation, Middletown, Ohio.
James A. Farrell, New York.
E. V. Finch, United States Alkali Export Association, Inc., New York.
Harvey Firestone, Jr., Firestone Tire & Rubber Co., Akron.
P. A. S. Franklin, United States Lines, New York.
Charles J. Hardy, American Car & Foundry Co., New York.

Cornelius F. Kelley, Anaconda Copper Mining Co., New York.
H. J. Leisenheimer, the Cleveland Tractor Co., Cleveland.
C. W. Linscheid, Fairbanks, Morse & Co., New York.
John L. Merill, All America Cables, Inc., New York.
Thomas A. Morgan, Curtis-Wright Corporation, New York.
W. W. Nichols, Allis-Chalmers Manufacturing Co., New York.
L. A. Osborne, Westinghouse Electric International Co., New York.
Robert H. Patchin, W. R. Grace & Co., New York.
C. M. Peter, Black & Decker Manufacturing Co., Towson.
F. W. Pickard, E. I. du Pont de Nemours & Co., Wilmington.
Edward V. Rickenbacker, North American Aviation Corporation, New York.
George B. Roberts, National City Bank of New York, N.Y.
G. Arthur Schieren, Charles A. Schieren Co., New York.
George C. Scott, U. S. Steel Products Co., New York.
Harold B. Scott, Denver Chemical Manufacturing Co., New York.
Robert H. Sexton, Business Council Associates.
A. P. Sloan, General Motors Corporation, New York.
Edgar W. Smith, General Motors Export Co., New York.
James L. Walsh, National Bank of Detroit, Detroit.
Thomas J. Watson, International Business Machines Co., New York.
John N. Willys, Willys-Overland Co., Toledo.
Clarence M. Woolley, American Radiator Co., New York.

These men, among others, represent that great group of manufacturers of automobiles, an industry which is leading the Nation back to prosperity, and this industry was made to suffer more than any other by the iniquitous provisions of the Smoot-Hawley tariff bill which was forced through the Congress, labeled as the "Grundy bill."

I want to call to the attention of the Members that in spite of the assurances of President Hoover, when he campaigned for the Presidency in 1928, that there would be no tampering with the tariff excepting possibly a downward revision, as a matter of fact, hundreds of items were boosted so high on the tariff scale as to cause international resentment and the erection of corresponding tariff barriers which paralyzed industry and disturbed the comity between nations. I remember distinctly what happened as a result of this short-sighted policy. American manufacturers, and automobile manufacturers in particular, found it necessary, because of the retaliatory tariff walls which were erected to exclude our American products, to build in self-defense automobile and other manufacturing plants in foreign countries all over the world. It is a significant fact that Canada at the time sent a special emissary here to Washington to plead with the administration for a sane and sensible tariff policy and against any measure which would further paralyze the trade between these two friendly nations, the United States and Canada. I remember that it was without success that he made this appeal. The rapacious interests in this country were determined to make the local market pay, and pay dearly. They cared not about the international market, without which there can be no prosperity, if they were permitted to exploit the American people. The Canadian market alone was worth approximately three quarters of a billion dollars per annum to the American public, while the Canadians sold to the United States approximately $500,000,000 worth of goods per year, with a net trade balance in favor of the United States of about $250,000,000 per annum. The antagonism which was aroused brought about an order in council which made it exceedingly difficult for the American manufacturer to compete in a Canadian market. In fact, it made it impossible for him to sell in Canada at a profit without the production of American goods within Canadian territory. As a consequence, American manufacturers, following the adoption of the Grundy tariff, built branch plants north of the American boundary at the rate of 2 factory buildings every week, or more than 100 factory branches a year. This not only gave great impetus to the construction business of Canada but also meant an increase in the employment of Canadians, with a corresponding decrease in the employment of our own workers in the United States.

Has it never occurred to the opposition, in its desire to block the President, that, far from having in mind the destruction of inefficient industries, he has in mind the revitalizing of industries that have been dead in this country and in other countries because of the paralyzing effect of a plundering, robber tariff? The President has in mind—and of that we may be sure—the bringing-about of a condition by reciprocal agreements that will bring back to commercial activity industries that have remained dormant for quite some time past. The short-sighted policy of the previous administration, as regards the tariff, has caused irreparable harm and is responsible for the frightful condition that laid low the shipping industry of this country. We need not show any unusual signs of brilliancy to understand that it is impossible for American merchantmen to depart from our shores loaded to the gunwhales with cargoes destined for foreign countries and not expect them to return in ballast.

President Roosevelt has shown himself to be keenly interested in the question of reviving international trade, and in this movement he has the support of America's foremost manufacturers, producing every conceivable kind of manufactured products. It is clearly apparent that we cannot bring about a reduction of international tariffs without negotiation. It is said that American negotiators will be quite capable of maintaining their position. In fact, I believe they will have an advantage when discussing reciprocal trade treaties. I am in favor of this bill because I realize that the tariff excesses of recent memory have been so great as to cause the stasis which we know in this country and throughout the world as the depression. There are very few in this House, I daresay, who believe in the theory of free trade under present circumstances. The provisions of this bill will amply protect American industry, will definitely bar goods produced under conditions that are intolerable and disapproved of in this country, and, while we concede somewhat cheaper labor in foreign countries, we at the same time must admit that our production methods are far superior to theirs. This wipes out any advantage which they may have. This may not be true in every instance, but American ingenuity has shown itself capable of competition against any and all foreign producers except when a product is produced under conditions of slavery or imprisonment. Any free labor, even though paid less than the American worker, cannot produce efficiently enough to overcome our advantage.

One of the most potent arguments that can be advanced in behalf of this bill at the present time is the declaration of the automobile industry some time ago when it declared for a 10-percent horizontal reduction of all tariffs as a stimulus to world trade. The automobile manufacturers export approximately 0.1 of their products and depend upon the local market for the sale of the other 90 percent. I dislike to quote statistical figures—in fact, I have refrained from doing so in most of my discourses. I submit that the latent possibilities of trade revival are very great in this instance, and I contend that the most direct and effective method is that of friendly conversation between nations with an object of reciprocal action between them. There are industries in America and there are industries in foreign countries that are dormant and have been so as a result of the paralyzing effect of international tariff barriers. This unfortunate condition can be remedied by giving the President the necessary power to negotiate trade agreements that will be mutually advantageous. I am sorry to hear Members of the House, who are apprehensive lest they suffer from temporary disadvantages, referring to this bill as though it were the deathknell to America's industrial life. The President has for his purpose the uplift and the revitalizing of industry which has been mired for the past 4 or 5 years.

Mr. WELCH. Mr. Speaker, I must differ with those who have indicated their opposition to this proposal authorizing the President of the United States to enter into reciprocal trade agreements. They seem to have lost sight of the real terms and purpose of the measure. Even before the Committee on Ways and Means offered an amendment limiting

the duration of this legislation, I have recognized it as an emergency measure.

On every hand it is apparent we cannot follow our present policy and meet the competition of other nations in the effort all are making to find an outlet for their commodities. We must insure a competent method for successfully combating this competition. Millions of our people are out of employment, billions of dollars' worth of machinery and equipment are standing idle, our foreign trade has been decreasing in alarming proportions, the result of which our merchant marine faces greater difficulties than at any time in its history. The enactment of this bill will place a weapon in the hands of the Executive with which outlets can be found for our commodities to a degree that will largely overcome many of these difficulties. It will give the President an opportunity to bargain with other nations in a manner that can be wholly beneficial to our people.

Other Members of this body have ably presented the constitutional questions, if any, that are involved; they have laid stress on the advantages to be gained by a foreign market for our agricultural and manufactured products, and I do not desire to reiterate these facts. I desire simply to call attention to a matter directly connected with this proposal, an industry of vital importance to this Nation which this measure, when adopted and carried into effect, will prove of great assistance in rehabilitating.

The American merchant marine is an auxiliary navy. It is to our Navy what railroads and good transportation facilities are to the Army. It is the means of securing supplies, of transporting necessities. Our merchant marine ranks with our fighting ships in importance of defense, for without an adequate merchant marine we cannot hope to successfully supply our Navy with its requirements in time of war. It is the Navy's very lifeblood. Any policy dealing with foreign trade which does not take these facts into account is short-sighted.

We must increase our international trade to build up our merchant marine unless the Federal Government is to openly subsidize the merchant marine in far greater amounts than are now paid under ocean-mail contracts. Isolation, either deliberately planned or forced upon us by slow and backward methods of tariff revision, means the death of our merchant marine. No one denies that, if necessary, the United States can be self-contained. But in the normal course of affairs the United States must find an outlet for between 10 percent and 12 percent of all its products. Isolation closes the ports of foreign nations to this surplus. This cannot be.

The falling-off in our foreign trade during recent years has been a major contributing cause to the depression. The district I represent is located in a seaport city, San Francisco. San Francisco has one of the greatest natural harbors in the world and is a principal outlet for our overseas export trade with the Orient. In 1929 the total foreign trade of the Port of San Francisco amounted to $418,696,000. In 1933 this traffic had decreased to only $140,026,241. The value of the exports from the United States passing through San Francisco in 1929 was $206,018,000. By 1933 these exports had fallen to $84,511,952. These are exact figures from the United States Department of Commerce reports, and they speak eloquently for the enactment of this legislation.

This bill cannot be successfully construed as giving the President any tariff-making authority he does not already possess under the terms of the Tariff Act of 1930. It simply changes the basis for his authority in such a way that he can use it to greater advantage for the people of this country. The Tariff Act of 1930 gives the President the authority to increase the tariff as much as 50 percent to protect American industry. This bill will give the President the authority to increase or decrease the tariff as much as 50 percent to protect and assist American industry in its efforts to find a foreign market for its products; to find jobs for workingmen; to find traffic for our merchant marine. It will give him this authority during a temporary period when every resource of the Nation is being used to restore normal conditions.

Mr. Speaker, I do not fear the misapplication of this authority. I cannot conceive of a President of these United States, vested in this power, doing that which the opponents of this measure predict will be done, and that is the drying-up of American industry. The problem of the Nation today, and the problem throughout the depression, has been to return men to useful occupations. Not millions but billions of dollars are being spent for that purpose. Can it be anticipated in any way that any President of the United States, invested with this authority, would deliberately dry up an industry in this country and turn more men and women into the streets to join the millions of unemployed? It is beyond my conception. The Presidency of the United States is the greatest trust any free people can bestow, and to anticipate its betrayal in such a manner as this is absurd.

The same may be said for the products of the farm. I do not represent a farming district. There is not a single farmer in my district. But I have given a sympathetic ear to his problems and have rubbed elbows with him, as I have with his brother in poverty, the American workingman. I know the difficulties he is facing, and I have supported every measure presented to this body since I have been a Member of Congress that would prove of assistance to him. The Government of the United States, upon the recommendation of the Executive, is paying untold millions to the farmers of this country for the curtailment of farm crops, including pigs, if you please; and how can it be logically anticipated in the same breath that the President would admit into this country the products of other nations that would create further competition with these products of the farm?

This legislation, as amended, limits the Executive to the promotion of foreign trade and expressly prohibits foreign debts owed to this country becoming involved in any trade agreement.

Mr. Speaker, I firmly believe the enactment of this bill will go far toward lifting us out of the terrible depression; I believe it will aid the American workingman, the American farmer, American industry, and the American merchant marine. I shall therefore support it.

Mr. McGRATH. Mr. Speaker, when I became a candidate in the primary campaign of 1932, I published throughout my district a platform which contained as one of its main planks the advocacy of reciprocal tariff.

I have watched the creeping paralysis of the depression cast its pall over agriculture and industry under the baneful influence of the Smoot-Hawley-Grundy tariff. I represent the district extending along the Pacific coast for 200 miles immediately south of San Francisco. It has a variety of interests. The northern part of the district has been called the "bedroom of San Francisco." Eighty-five percent of the 85,000 people residing in San Mateo County are essentially part of the life of that great industrial and export center. In the great Santa Clara Valley we produce almost one third of the prunes of the world and a large part of the apricots grown in the United States. At Santa Cruz and Monterey we have one of the greatest fish-canning sectors. In the Pajaro Valley is located the great apple belt of California, while the Salinas Valley is one of the great farming and vegetable-growing areas of the United States. Many of the largest fruit and vegetable canneries of the world are located in these valleys.

All of these activities are largely dependent upon export trade. This export market has practically disappeared. As we erected our tariff barriers, we met the retaliatory responses in those countries which comprised our national market. Germany, one of the great outlets for our dried fruits, barred the doors in our face. France, the leading market for our sardines, established a practical embargo. So the story runs. Canada, our great, friendly neighbor, no

longer accepted the products of our soil. Our fruit and our produce rotted in the fields. Nature responded bountifully to the labors of our people, but our accumulating surpluses drove our canners and our farmers into bankruptcy. The natural result was stagnation and fast-approaching ruin for all our people.

The people of my district are typically American. Their ancestry runs back through years of toil and devotion to those great strains of western Europe which have made us a people. They are honest, hard-working, God-fearing people. They have solved the problems of production. All that they ask is that the artificial barriers which have been erected against our people shall be broken down.

Foreign peoples have given their governments power to act and to secure their share of the markets of the world. The opportunity is now presented to us to enter into markets of the world and to compete, by permitting the President to break through the present impossible conditions and to introduce reciprocal relationship with the friendly powers of the world, in order that we may exchange with these people our surpluses for those goods of theirs which we cannot profitably and economically produce for ourselves.

I have been delighted and encouraged to know that the San Francisco Chamber of Commerce, the first representative commercial body in the United States to propose and to urge exactly the plan that the President is now asking Congress to adopt, is today standing firmly and vigorously in the same position.

They state today, as they stated 2 years ago, that our hopes for the development of Pacific trade and shipping in San Francisco harbor will not be developed under the present high-tariff policy. They say today, as they stated in a former resolution adopted by the San Francisco chamber on February 4, 1932, that the revival of our foreign trade depends on the liberalization of our commercial policy to our customer countries as well as our own, and they join with me in urging upon this body the establishment of machinery for reciprocal concessions in tariff rates in the interest of the revival and upbuilding of our foreign commerce.

I am willing to confer this power upon the President in order that he may have a fair opportunity to bargain upon an equal footing in behalf of our people and their interests.

I am looking forward with hope to the day when agriculture and industry can stand proudly upon their own feet, not begging for salvation from disaster, but finally forming the foundation for social and economical justice and prosperity to a forward-looking and progressive people.

I vote for this measure conferring reciprocal bargaining powers upon the President in the belief that it constitutes a real advance toward that goal.

CENTURY OF PROGRESS—WORLD'S FAIR, CHICAGO (H.DOC. NO. 293)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on the Library, and ordered printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Chicago World's Fair Centennial Commission to the end that legislation may be enacted extending the availability of funds previously appropriated for Government participation in A Century of Progress, the Chicago world's fair centennial celebration, in 1933, to June 30, 1935, and also authorizing the appropriation of funds in the amount of $405,000 for the purpose of defraying the expenses of participation by the Government of the United States in the reopening of A Century of Progress, the Chicago world's fair centennial celebration, in 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *March 27, 1934.*

TARIFF ACT OF 1935

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks in the RECORD on the tariff bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the time for general debate on the tariff bill may be extended 30 minutes, one half of such time to be used and controlled by the gentleman from Massachusetts [Mr. TREADWAY] and one half by myself.

Mr. SNELL. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SNELL. How much will that make for tomorrow?

Mr. DOUGHTON. Forty-five minutes on each side.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

HOUR OF MEETING

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

EXTENSION OF REMARKS

Mr. WEST of Ohio. Mr. Speaker, during the course of my remarks on the tariff bill I made reference to several statistical tables. I ask unanimous consent to include them in my remarks.

The SPEAKER. Without objection it is so ordered.

There was no objection.

AMERICAN LEGION DID NOT ENDORSE ECONOMY ACT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to insert a letter and statement from the former National Commander, Louis Johnson, in regard to veterans' matters.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. PATMAN. Mr. Speaker, during the debates on the independent offices appropriation bill it was stated on the floor of the House that the national commander of the American Legion, the Honorable Louis Johnson, endorsed the passage of the so-called "Economy Act" which became law March 20, 1933. I have received a letter from Commander Johnson in which, referring to this matter, he stated:

I should like the record straightened out once and for all. I did not at any time, anywhere, under any circumstances approve the economy bill, and all statements to this effect are false; and after the passage of both the House and the Senate of the economy bill over the opposition of the American Legion I issued a statement which did not approve the economy bill but pointed out to the President of the United States that matters affecting the life and death of the veterans were by that act placed in his hands, and asked for the needed compassion and mercy in the regulations the President was authorized to issue thereunder.

This statement was predicated upon the belief (afterward expressed in practically every speech I made and from coast to coast) that even though we had never approved the economy act, had opposed its enactment and the veterans "had taken a licking in its passage", that we of the Legion were still American citizens and still supported our Government. For that statement, a copy of which is hereto attached, I have no apologies to make to anyone.

STATEMENT ISSUED BY COMMANDER JOHNSON MARCH 15, 1933

On the day following the new President's inaugural oath, I pledged the million men of the American Legion to give their utmost loyalty and help in the complex and difficult problem now facing the Chief Executive. I stated then in a Nation-wide broadcast, in which the President participated, that the American Legion wants nothing more than to be of service to America in this situation as our members were in 1917–18.

The time to render that service has arrived. Congress has given to the President the authority to put into effect the economies the President believes necessary to restore the financial stability of our country. This new legislation is fraught with gravest consequences

to the disabled veteran. The President, under the authority given him, has powers of life and death over thousands of men who once gladly offered their lives in a period of national emergency.

The Legion has every faith in the discretion, fairness, and the justice with which the President will deal with this problem, involving, as it does in many instances, the need for compassion and mercy.

The President needs the support of every loyal American, and today I am calling upon the 10,709 Legion posts and our 1,000,000 members throughout our great organization to uphold the pledge that I have made as the National Commander of the American Legion. I am asking that special meetings be held by every Legion post where it will officially express by resolution such loyalty and utmost help. Many of our posts have already taken the initiative and set dates for such meetings.

In addition, I am tendering to the President of the United States the benefit of exhaustive studies the Legion has made through the years and the entire facilities of the Legion national rehabilitation committee that he may have direct contact with and the expert advice and experience of these American Legion officials who have devoted their lives to the rehabilitation of disabled veterans of the World War.

"There is no question of Legion loyalty. The patriotism of every member has been proved in his war service and in his peacetime devotion to the welfare of our country as evidenced by his membership in the Legion. In this hour of emergency we are but eager to serve the Stars and Stripes again under whatever orders our new Commander in Chief may give. Many disagree with the new law, but now in this crisis we must take his orders. We have never asked anything for ourselves but what we felt was just and what was first proposed by the American people through their Representatives in Congress. We have fought long and hard for the proper care of our disabled comrades and they will always remain our first and greatest obligation save only God and country.

"Our President is confronted with problems as great as ever faced the Chief Executive of the United States at the beginning of his administration. He has not faltered in action needed as he sees it. Like a brave soldier in battle, he is giving unstintingly of himself. Yet, with all his leadership and fine courage, he cannot win the war on the depression, and he cannot lead us back to the mountain top unless all citizens accord him their utmost help. The need for patriotism is as urgent today as it was in 1917–18. Our Nation needs a reawakened spirit of unity and confidence. Our citizens need a reinspired willingness to follow the leadership of our newly elected Chief Executive. The American Legionnaire is that kind of a citizen, and it is the purpose of our organization to set an example for all to follow in giving to our President and Government our utmost faith and assistance whenever it is needed and whatever the necessary costs in sacrifice may be, including life itself.

"I call upon all Legionnaires to emulate the spirit of Washington and the Nation's fathers 'that we may go down in history honored and respected among the Nation's favored.'

"I again pledge the Legion to fulfill its preamble declaration of service to God and country and to keep on keeping on."

HOUSE RESTAURANT

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report (Rept. No. 1102) to accompany House Resolution 236, for printing under the rule:

House Resolution 236

Resolved, That a committee of five Members of the House be appointed by the Speaker to investigate by what authority the Committee on Accounts controls and manages the conduct of the House restaurant, and by what authority said committee or any members thereof issued and enforced rules or instructions whereby any citizen of the United States is discriminated against on account of race, color, or creed in said House restaurant, grill room, or other public appurtenances or facilities connected therewith under the supervision of the House of Representatives.

Said committee is authorized to send for persons and papers and to administer oaths to witnesses, and shall report their conclusions and recommendations to the House at the earliest practicable moment.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7513. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p.m.) the House, pursuant to its order previously entered, adjourned until tomorrow, Thursday, March 29, 1934, at 11 o'clock a.m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, Mar. 29, 10 a.m.)

Continuation of the hearings on the railroad bills—full crew, car lengths, and 6-hour day.

COMMITTEE ON THE PUBLIC LANDS

(Thursday, Mar. 29, 10:30 a.m.)

Room 328, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

394. Under clause 2 of rule XXIV, a letter from the Acting Secretary of the Navy, transmitting a proposed draft of bill for the relief of Ciriaco Hernandez and others, was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CONNERY: Committee on Labor. S. 2689. An act to authorize the Department of Labor to make special statistical studies upon payment of the cost thereof, and for other purposes; without amendment (Rept. No. 1096). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on Immigration and Naturalization. H.R. 8850. A bill to amend and extend the act of March 2, 1929, relating to issuance of a certificate of registry to certain aliens; without amendment (Rept. No. 1097). Referred to the House Calendar.

Mr. O'MALLEY: Committee on Indian Affairs. S. 1881. An act to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Wash., and for other purposes; without amendment (Rept. No. 1098). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'MALLEY: Committee on Indian Affairs. S. 1888. An act to provide for the protection and conservation of the grazing resources of the undisposed-of ceded Indian lands, the tribal title to which remains unextinguished; without amendment (Rept. No. 1099). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'MALLEY: Committee on Indian Affairs. S. 1889. An act to facilitate a more economical administration of forest and grazing lands on Indian reservations; without amendment (Rept. No. 1100). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'MALLEY: Committee on Indian Affairs. S. 2026. An act providing for payment of $25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States; without amendment (Rept. No. 1101). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H.R. 6930. A bill for the relief of John Doherty; with amendment (Rept. No. 1092). Referred to the Committee of the Whole House.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H.R. 6931. A bill for the relief of Bennie Morrison; with

amendment (Rept. No. 1093). Referred to the Committee of the Whole House.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H.R. 6933. A bill for the relief of George Morrison; with amendment (Rept. No. 1094). Referred to the Committee of the Whole House.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H.R. 7504. A bill for the relief of George Parker; with amendment (Rept. No. 1095). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES: A bill (H.R. 8861) to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. BIERMANN: A bill (H.R. 8862) to amend the Agricultural Adjustment Act; to the Committee on Agriculture.

By Mr. HOIDALE: A bill (H.R. 8863) to make permanent the office of additional judge in the district of Minnesota referred to in the act of March 2, 1925; to the Committee on the Judiciary.

By Mr. VINSON of Georgia: A bill (H.R. 8864) authorizing loans by the Reconstruction Finance Corporation to aid in financing industry; to the Committee on Banking and Currency.

By Mr. DARDEN: A bill (H.R. 8865) to amend section 1 of the act approved May 6, 1932 (47 Stat. 149; U.S.C., supp. VII, title 34, sec. 12); to the Committee on Naval Affairs.

By Mr. POWERS: A bill (H.R. 8866) to amend the naturalization laws of the United States; to the Committee on Immigration and Naturalization.

By Mr. DOCKWEILER: A bill (H.R. 8867) to remit interest on moneys borrowed on adjusted-service certificates; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas: A bill (H.R. 8883) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in the case of *United States of America* v. *Weirton Steel Co.* and other cases; to the Committee on the Judiciary.

By Mr. CANNON of Wisconsin: Resolution (H.Res. 316) permitting Gen. Joseph Haller, of Poland, to address the House of Representatives assembled; to the Committee on Rules.

By Mr. BULWINKLE: Resolution (H.Res. 317) to create a select committee to investigate certain statements made by one Dr. William A. Wirt, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H.R. 8868) for the relief of the Manhattan Produce Co.; to the Committee on Claims.

By Mr. BURNHAM: A bill (H.R. 8869) for the relief of Mr. and Mrs. Charles F. Carter, parents and guardians of Louise Marie Carter, a minor; to the Committee on Claims.

By Mr. COLMER: A bill (H.R. 8870) for the relief of Mrs. J. A. Joullian; to the Committee on Claims.

Also, a bill (H.R. 8871) for the relief of Capt. Henry T. Korner; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H.R. 8872) for the relief of Howard E. Miller; to the Committee on Naval Affairs.

By Mr. GAMBRILL: A bill (H.R. 8873) for the relief of Charles H. Reed; to the Committee on Naval Affairs.

By Mr. HEALEY: A bill (H.R. 8874) authorizing the President to commission John M. McKeague a second lieutenant in the Field Artillery of the United States Army to rank as such from June 14, 1929; to the Committee on Military Affairs.

Also, a bill (H.R. 8875) for the relief of Harry Tyler; to the Committee on Military Affairs.

By Mr. LUCE: A bill (H.R. 8876) for the relief of Rosella Webb; to the Committee on Claims.

By Mr. MULDOWNEY: A bill (H.R. 8877) for the relief of Henry A. LeVake; to the Committee on Military Affairs.

By Mr. POWERS: A bill (H.R. 8878) granting a pension to Mary Quirk; to the Committee on Invalid Pensions.

By Mr. PRALL: A bill (H.R. 8879) for the relief of the widow and next of kin of James J. Curran; to the Committee on Claims.

Also, a bill (H.R. 8880) for the relief of Edward C. Burke; to the Committee on Claims.

By Mr. REED of New York: A bill (H.R. 8881) for the relief of Charlotte Martin, widow of Norman B. Martin; to the Committee on Military Affairs.

By Mr. UNDERWOOD: A bill (H.R. 8882) granting an increase of pension to Anna Hudson; to the Committee on Invalid Pensions.

By Mr. KENNEY: Joint resolution (H.J.Res. 309) to admit Albert Einstein to citizenship; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3353. By Mr. BOYLAN: Resolution adopted at the regular meeting of the John G. Butler Camp, No. 86, United Spanish War Veterans, Syracuse, N.Y., petitioning the Congress for the restoration of Spanish-American War veterans' pensions; to the Committee on Pensions.

3354. Also, resolution adopted by the Military Order of Foreign Wars of United States, New York Commandery, New York City, N.Y., recommending that the amount provided in the Army appropriation bill for the citizens' military training camps and the training of officers of the Reserve Corps for the years of 1934–35 be increased by 25 percent; to the Committee on Military Affairs.

3355. By Mr. BUCKBEE: Petition of William Schmidt, La Salle County chairman, Illinois Workers' Alliance, asking Congress to provide unemployment insurance, minimum wages, etc.; to the Committee on Labor.

3356. By Mr. CROWE: Petition bearing approximately 25,000 names from the Ninth District of Indiana presented through Anton Koerber, Washington representative, Watch Tower Bible and Tract Society, protesting against alleged wrongful interference of the rights of these citizens of the radio; to the Committee on Merchant Marine, Radio, and Fisheries.

3357. By Mr. DEROUEN: Petition of the Vinton Baptist Church, of Vinton, La., protesting against, and urging Congress to refuse to pass the Celler bill or any similar bill; to the Committee on the Judiciary.

3358. By Mr. FITZPATRICK: Petition signed by Mary A. Friedman, Emil Mendell, and a number of other residents of Bronx County, New York City, N.Y., protesting against the payless furlough of postal employees; to the Committee on Appropriations.

3359. Also, petition signed by 11,000 citizens of the city of Yonkers, N.Y., protesting against the payless furlough days of Federal employees; to the Committee on Appropriations.

3360. By Mr. FORD: Petition of associated students, University of Southern California, urging the establishment and operation of a university of public affairs; to the Committee on Education.

3361. By Mr. KVALE: Petition of 55 citizens of Hennepin County, Minn., opposing House bill 1608 and Senate bill 885; favoring legislation for the purpose of curbing the sale of machine guns or submachine guns; to the Committee on the Judiciary.

3362. Also, petition of Farmers Union Waverly Local, Truman, Martin County, Minn., urging enactment of Frazier bill; to the Committee on Banking and Currency.

3363. By Mr. LINDSAY: Petition of American Rattan & Reed Mfg. Co., Brooklyn, N.Y., protesting against the passage of the Wagner-Connery bills; to the Committee on Labor.

3364. Also, petition of the Spielman Motor Sales Co., Inc., Brooklyn, N.Y., opposing the Wagner labor dispute bills; to the Committee on Labor.

3365. Also, telegram from Crown Cork & Seal Co., Inc., Baltimore, Md., opposing the Wagner labor bill and stock exchange bill in their present form; to the Committee on Interstate and Foreign Commerce.

3366. Also, telegram from the Torrington Co. of New York, opposing the Wagner-Connery labor dispute bills; to the Committee on Labor.

3367. Also, petition of Metropolitan Builders Association, New York City, opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3368. Also, petition of the Empire State Silk Label Co., New York City, opposing the Wagner-Connery bills; to the Committee on Labor.

3369. Also, petition of Military Order of Foreign Wars of the United States, New York City, recommending that amount provided for in military appropriations bill for citizens' military training camps be increased by 25 percent; to the Committee on Military Affairs.

3370. Also, petition of the Ideal Novelty & Toy Co., Brooklyn, N.Y., opposing House bill 8430; to the Committee on Ways and Means.

3371. Also, petition of the Ohio Chamber of Commerce, Columbus, Ohio, opposing the Wagner-Connery bills; to the Committee on Labor.

3372. Also, petition of the Bay Ridge Dock Co., Inc., Brooklyn, N.Y., opposing the Wagner-Connery bills; to the Committee on Labor.

3373. Also, petition of Augustus C. Froeb, Brooklyn, N.Y., opposing the Wagner-Connery bills; to the Committee on Labor.

3374. Also, petition of the Associated Cooperage Industries of America, Inc., St. Louis, Mo., opposing the Wagner-Connery bills and the Connery 30-hour week bill; to the Committee on Labor.

3375. Also, petition of the Cork Institute of America, New York City, opposing the Wagner-Connery bills; to the Committee on Labor.

3376. Also, petition of E. R. Squibb & Sons, New York, concerning the Connally amendment to House bill 7835; to the Committee on Ways and Means.

3377. Also, petition of James H. Ward, New York and Brooklyn, opposing the Rayburn stock exchange bill (H.R. 8720); to the Committee on Interstate and Foreign Commerce.

3378. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., requesting early hearings and favorable action on the Patman motion picture bill (H.R. 6097), providing for higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

3379. By Mr. MUSSELWHITE: Petition of public schools of the city of Muskegon, supporting legislation authorizing the Federal Government to advance to school districts loans of money to be secured by uncollected taxes; to the Committee on Banking and Currency.

3380. By Mr. RUDD: Petition of John G. Marshall, Inc., Brooklyn, N.Y., opposing the passage of the Wagner-Connery bill; to the Committee on Labor.

3381. Also, petition of the St. Clair Oil Co., New York City, opposing the Fletcher-Rayburn stock-exchange control bill; to the Committee on Interstate and Foreign Commerce.

3382. Also, petition of the Torrington Co., of New York, opposed to the Wagner-Connery bills; to the Committee on Labor.

3383. Also, petition of the Crown Cork & Seal Co., Inc., Baltimore, Md., opposed to the passage of the Wagner-Connery bills; to the Committee on Labor.

3384. Also, petition of the H. L. Judd Co., New York City, opposed to the passage of the Wagner-Connery bills, Fletcher-Rayburn securities bill, and tariff bill; to the Committee on Interstate and Foreign Commerce.

3385. Also, petition of Augustus C. Froeb, Brooklyn, N.Y., stating seven reasons for opposing the Wagner-Connery bills; to the Committee on Labor.

3386. Also, petition of the American Fruit & Vegetable Shippers Association, of Chicago, Ill., favoring the elimination of the process tax as a direct relief to the potato grower; to the Committee on Agriculture.

3387. Also, petition of the Ohio Chamber of Commerce, Columbus, Ohio, opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3388. Also, petition of the Bacon, Steverson & Co., New York City, opposing the Fletcher-Rayburn stock exchange control bills in their present form; to the Committee on Interstate and Foreign Commerce.

3389. Also, petition of the Bay Ridge Dock Co., Inc., of Brooklyn, N.Y., opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3390. Also, petition of the C. Kenyon Co., Inc., New York City, opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3391. Also, petition of the American Rattan & Reed Manufacturing Co., Brooklyn, N.Y., opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3392. Also, petition of the J. B. Mast Co., New York City, opposing the passage of Senate bill 2936; to the Committee on Labor.

3393. Also, petition of Military Order of Foreign Wars of the United States, New York City, favoring appropriation for citizens' military training camps be increased by 25 percent; to the Committee on Appropriations.

3394. Also, petition of the Citizens' Committee for Sane Liquor Laws, New York City, favoring reduction of taxes and license fees to a level which the incentive for the illegal business ceases to exist; to the Committee on Ways and Means.

3395. Also, petition of E. R. Squibb & Sons, New York City, concerning proposed Connolly amendment to House bill 7835; to the Committee on Ways and Means.

3396. Also, petition of the Chamber of Commerce of the Borough of Queens, New York City, opposing the passage of the Connery 30-hour week bill; to the Committee on Labor.

3397. Also, petition of the Ideal Novelty & Toy Co., Brooklyn, N.Y., opposing House bill 8430; to the Committee on Ways and Means.

3398. Also, petition of the Cork Institute of America, New York City, opposing the Wagner-Connery bills; the tariff reciprocity bill, and the national securities exchange bill; to the Committee on Labor.

3399. Also, petition of the Metropolitan Builders Association, New York City, opposing the Wagner-Connery bills; to the Committee on Labor.

3400. Also, petition of the Empire State Silk Label Co., New York City, opposing the Wagner-Connery bills; to the Committee on Labor.

3401. Also, petition of the Associated Cooperage Industries of America, Inc., opposing the Wagner-Connery bills; to the Committee on Labor.

3402. By the SPEAKER: Petition of numerous citizens of Illinois, urging passage of Senate bill 2926 and House bill 8423; to the Committee on Labor.

3403. Also, petition of the borough of Cresskill, Bergen County, N.J., urging passage of House bill 3082; to the Committee on Banking and Currency.

3404. Also, petition of members of the Columbia County Farmers' Union, endorsing a bill to eliminate direct marketing of livestock; to the Committee on Agriculture.

3405. Also, petition of the Negro Mechanics and Farmers Association; to the Committee on Ways and Means.