occasion of the inauguration of the President-elect in January 1941; to the Committee on Ways and Means.

H. J. Res. 468. Joint resolution to provide for the quartering, in certain public buildings in the District of Columbia, of troops participating in the inaugural ceremonies; to the Committee on Public Buildings and Grounds.

By Mr. SHAFER of Michigan:

H. J. Res. 469. Joint resolution creating a civilian commission to investigate the national defense; to the Committee on Military Affairs.

By Mr. MERRITT:

H. J. Res. 470. Joint resolution to authorize the appropriation of an additional sum of $425,000 for Federal participation in the New York World's Fair 1940; to the Committee on Foreign Affairs.

By Mr. FLANNERY:

H. J. Res. 471. Joint resolution for the relief of the anguished, stricken, and starving population of war-torn and martyred Poland; to the Committee on Foreign Affairs.

By Mr. VINSON of Georgia:

H. Res. 390. Resolution providing for the consideration of H. R. 8026, a bill to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes; to the Committee on Rules.

By Mr. MAAS:

H. Res. 391. Resolution directing the Secretary of State to submit all information concerning American merchant ships and airplanes, by name, that have been stopped by belligerents since September 1, 1939; to the Committee on Foreign Affairs.

By Mr. SHERIDAN:

H. Res. 392. Resolution authorizing an investigation of small-loan companies; to the Committee on Rules.

H. Res. 393. Resolution providing for expenses of the select committee created by House Resolution 392; to the Committee on Accounts.

By Mr. SMITH of Illinois:

H. Res. 394. Resolution to print certain documentary matter relating to the life and works of Abraham Lincoln; to the Committee on Printing.

By Mr. CANNON of Missouri:

H. Res. 395. Resolution to print the prayers of the Chaplain of the House of Representatives; to the Committee on Printing.

By Mr. FISH:

H. Res. 396. Resolution making House Joint Resolution 408 a joint resolution providing for a national referendum before drafting citizens and aliens for military service outside of the Western Hemisphere or the Territorial possessions of the United States, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their senate joint resolution No. 5, relative to House bill 7372, relating to Federal control of oil and gas production in California; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HULL:

H. R. 8616. A bill granting a pension to Dora Mae Brinkley; to the Committee on Invalid Pensions.

By Mr. McLEOD:

H. R. 8617. A bill to extend the emergency officers' retirement benefits to Edward G. Heckel, formerly colonel, United States Army; to the Committee on Military Affairs.

By Mr. LAMBERTSON:

H. R. 8618. A bill for the relief of Thomas S. Brading; to the Committee on Claims.

By Mr. FLAHERTY:

H. R. 8632. A bill for the relief of Michael J. Twohey; to the Committee on Naval Affairs.

By Mr. GAMBLE:

H. R. 8633. A bill granting a pension to Fannie J. Mann; to the Committee on Invalid Pensions.

By Mr. GARRETT:

H. R. 8634. A bill for the relief of Mollie S. McHaney; to the Committee on Claims.

By Mr. KUNKEL:

H. R. 8635. A bill for the relief of Elizabeth Melching; to the Committee on Claims.

By Mr. LANDIS:

H. R. 8636. A bill granting an increase of pension to Florence C. Woods; to the Committee on Invalid Pensions.

By Mr. WHITE of Idaho:

H. R. 8637. A bill for the relief of William Sullivan; to the Committee on Claims.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 23, 1940

The House met at 11 o'clock a. m., and was called to order by the Speaker.

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

We rejoice, our heavenly Father, that in all this universe of starry splendors and unthinkable immensities we cannot fall out of the hands of a good God. Death may threaten, and the dearest pass through the shadow of the valley, but these are the prelude to a deeper joy to come. We praise Thee that here is life's abiding rest and ultimate wonder and the secret of those chimes that forever ring in the dome of the immortal soul. Help us to ever pray "Thy will be done," not only in the acceptance of pain and bereavement, but in the chill of doubt and in the crisis of perplexity when the task of faith is so difficult. Thy will be done in the roar of the world with its ceaseless strife and in the whirl and din of its commercial life. When patriotism glows fervently and national aspirations are strong, O help us to pray the mighty prayer: "Thy will be done." In the name of our Elder Brother, Jesus Christ the Righteous. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6505) entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto."

The message also announced that the Senate requests the House of Representatives to return to the Senate the bill (S. 2103) entitled "An act to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended."

The message also announced that the Vice President had appointed Mr. NEELY, of West Virginia, Mr. BARKLEY, of Kentucky, and Mr. McNARY, of Oregon, as members on the part of the Senate of the Joint Committee on Arrangements for the Inauguration of the President-elect of the United States on January 20, 1941, pursuant to the provisions of Senate Concurrent Resolution No. 32, Seventy-sixth Congress.

SETTLEMENT OF DISPUTES WITH THE UNITED STATES

Mr. COX, from the Committee on Rules, submitted the following resolution (Rept. No. 1664), which was referred to the House Calendar and ordered printed:

House Resolution 388

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6324, a bill to provide for the more expeditious

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settlement of disputes with the United States, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXPENSES OF SPECIAL INVESTIGATINC COMMITTEE

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 387

Resolved, That the expenses of conducting the investigation authorized by House Resolution 258 of the Seventy-sixth Congress incurred by the special committee appointed to conduct the investigation authorized by said resolution acting as a whole or by subcommittee, not to exceed $50,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts, and the amount herein appropriated is to cover all expenditures of said committee of every nature in the final completion of its investigation and filing its report.

SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

SEC. 3. The head of each executive department is hereby requested to detail to said special committee such number of legal and expert assistants and investigators as said committee may from time to time deem necessary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I offer a further privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 389

Resolved, That there shall be paid out of the contingent fund of the House not to exceed $20,000 for the expenses of the select committee appointed under authority of House Resolution 344 to investigate the campaign expenditures of the various candidates for the House of Representatives in both parties.

SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent to extend the remarks which I expect to make during the day on the extension of the Reciprocal Trade Agreements Act and to include therein certain quotations, excerpts, and data relating thereto.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ROMJUE and Mr. MURDOCK of Arizona asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks that I shall make today and also to include a table of imports and exports that has been heretofore prepared.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WARD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the seventh anniversary of the Civilian Conservation Corps.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BURGIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the reciprocal-trade agreements and to include certain excerpts from the Under Secretary of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. VINCENT of Kentucky, Mr. LARRABEE, and Mr. BURDICK asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I expect to make this afternoon on the trade agreements.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a statement in connection with the Reciprocal Trade Act.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that after the disposition of the business on the Speaker's desk and the legislative program on Tuesday I may be permitted to address the House for 30 minutes on the subject of relief for Finland.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that I may be permitted to extend my own remarks in the RECORD and include a letter I wrote to Hon. Edward O'Neal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LOAN TO FINLAND

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PLUMLEY. Mr. Speaker, as early next week I shall cast my vote for the bill to enlarge the authority of the Export-Import Bank, in order that we may extend to Finland the insignificant sum of $20,000,000 as a proposed export credit in her time of great need, I will have in mind the inescapable fact that history repeats itself.

I am forcibly reminded of this by that excerpt from Edward Bulwer-Lytton's Siege of Constantinople, written a hundred years or more ago, wherein he says:

Dandolo

Said then, "The time is come which long ago
I saw in Zara. Who eschew the good
Must choose the evil. Drunk with brawl and blood,
The Empire reels upon her downward road;
Corrupt at home, contemptible abroad.
Devilish, she would be godlike without God;
Godless, would rule, who needs, herself, the rod;
And deems, not being good, she can be great:
Great, without one great man, i' the face of Fate,
The singular tyrant breeds the general slave,
And shameless citizens shamed cities have.
The time is now, and ours the hands, O friends,
To sweep this rubbish hence, and make amends
To earth, too long encumber'd with the same.

"Let's really do something about it." We do not have to go to war. We do not have to bear arms or send troops to help save them, ourselves, and the civilization they are fighting to maintain, for us as well as for themselves. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. KINZER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein an address delivered by Hon. J. WILLIAM DITTER, of Pennsylvania, at the Founders' Day exercises at Ursinus College, February 15,

at which time an honorary degree of doctor of laws was conferred upon Mr. DITTER.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend such remarks as I may make this afternoon in Committee of the Whole while the Trade Agreements Act is under consideration.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend such remarks as I may make this afternoon in Committee of the Whole on the Trade Agreements Act.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks and include a statement which appeared in the Evening Star on the subject of American Legion employment program.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a statement relative to American exports during the war period.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a short editorial from the Moline Dispatch on the subject of proposed rates by the National Bituminous Coal Commission.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the San Francisco Chronicle.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include a copy of a speech by Mr. Kenneth F. Simpson at Knoxville, Tenn., at the celebration of Lincoln's birthday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include an article from Our Sunday Visitor, on lewd literature.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make today in Committee of the Whole, and to include certain tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WAGE AND HOUR LAW

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. GROSS. Mr. Speaker, reciprocal-trade agreements are one evil; the Wages and Hours Act is another evil. I had a letter this morning stating that another cigar factory in my district closed on day before yesterday, throwing 38 people out of employment. The factory which I reported closed the day after Lincoln's birthday, last year, paid $25,000 Federal tax, and under the N. R. A. the factory paid $30,000 of the unconstitutional processing taxes. This evil is continuing up there. I am appealing to the Members of this House to sign discharge petition No. 23, on the Speaker's desk, discharging the Labor Committee, which will bring out the Hoffman bill, which will remedy this evil.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address by Fred Brenckman of the Grange.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I also ask unanimous consent to extend my own remarks and include a resolution of the City Council of Toledo, Ohio.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks by including some brief resolutions passed by the Purple Heart organization, composed of World War veterans, at their Washington birthday celebration yesterday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FREEDOM OF SPEECH AND OUR FOREIGN POLICIES

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I utterly disagree with the statement made by Senator BARKLEY a few days ago that there should be no discussion or criticism of our foreign policies, as such criticism might tend to interfere with the plans of the State Department. Our foreign policies are by far the most important issue confronting the American people, and they have a right to know what commitments are being made that might jeopardize our peace or involve us in European or Asiatic wars.

The Members of the House and Senate not only have a right but a duty to criticize attempts of the internationalists wherever they may be to have us quarantine or police the world with American blood and treasure.

The American people are opposed to secret diplomacy, war commitments, or any kind of departure from our traditional foreign policies of neutrality, nonintervention, and peace, as enunciated by George Washington.

The sale of eight American vessels owned by the United States Lines, valued at $4,100,000, to a Belgian company for the ridiculously small sum of $137,000 down payment amounts to a subterfuge and a breach of American neutrality, and is a violation of the cash-and-carry provisions of the Neutrality Act. All the facts connected with this transfer should be made known to the public. I do not believe the American people like the idea of our holding a 97 percent interest in these ships carrying arms, ammunition, and implements of war into the war zone. If that is to be the practice, why have any cash-and-carry provision at all, or continue any pretense of American neutrality?

As Abraham Lincoln said, "to sin by silence, when we should protest, makes cowards of us all."

The war issue far transcends all party lines or affiliations. If we are involved in another war it will mean a black-out of American liberties and the creation overnight of a dictatorship similar to fascism or nazi-ism, and we may never regain our American system and free institutions. The dictatorial nations of Europe each have one man who determines their foreign policies. In America issues affecting the security of the Nation and the safety of its people should be decided in a democratic manner by the Congress and the people themselves.

Men and women of America should have more and more voice, instead of less and less, in deciding this vital issue affecting their security. Our answer to the dictatorial governments should be to make democracy work in our own country. I do not agree in any way with Senator BARKLEY's statement that the Congress and the American people must

be silent, after the manner of foreign dictatorial governments, on our foreign policies.

The constitutional power to declare war rests in the Congress, and not with the President or the State Department. I shall oppose every effort of Senator PITTMAN to give President Roosevelt more discretionary power to declare war through imposing embargoes against Japan, which is virtually equivalent to a declaration of war and deprives the Congress of its constitutional rights and functions. The time has come not to give the President, whoever he may be, additional powers over foreign affairs, but to take back some of the powers already granted and restore representative government in the United States.

We are approaching another national campaign, and both the Republican and Democratic parties should submit their programs on foreign policies to the people for their decision after a thorough debate. Should the American people want internationalism, in preference to the accepted and traditional foreign policies of neutrality and nonintervention as laid down by George Washington, that is their privilege, but it should not be forced upon them in secret without their consent.

There must be no compromise or quibbling on the great issue of Americanism against internationalism. The people should be afforded a clear-cut referendum on this issue in the general election of 1940, as on the League of Nations in 1920.

Unfortunately, for the first time in our history, our foreign policy has been based on hatred, threats, and attacks on forms of government and rulers of other nations. It is a most amazing departure from America's traditions, and has created war hysteria at home and hatred abroad.

War mongers, interventionists, and internationalists in America, backed by huge sums for propaganda from abroad will stop at nothing to inflame the hatreds and passions of the American people and break down their will for peace. The price of peace is eternal vigilence and a militant determination to keep this Nation out of Europe's and Asia's wars. The preservation of peace is worthy of almost any sacrifice, except national honor.

If there is any country worth living in today it is the United States of America. We should devote our time and energy toward the solution of our own problems and putting our millions of unemployed back to work. Our first consideration, irrespective of party, should be the best interests of our country and the welfare of the American people.

EXTENSION OF REMARKS

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a sermon delivered by Dean Frank A. Rhea at the funeral services held for the late Senator William E. Borah at Boise, Idaho, on January 25.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. CARLSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. (After counting.) One hundred and forty-six Members are present, not a quorum.

Mr. DOUGHTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 29]

Allen, La.	Gehrmann	Maloney	Robsion, Ky.
Andrews	Green	Mansfield	Rockefeller
Barton	Hope	Martin, Ill.	Sasscer
Bradley, Pa.	Jacobsen	Mason	Schulte
Buckley, N. Y.	Jarrett	Merritt	Sparkman
Caldwell	Jeffries	Mills, La.	Steagall
Celler	Jenks, N. H.	Moser	Sullivan
Coffee, Wash.	Jennings	Mouton	Taylor
Darrow	Johnson, Okla.	Myers	Thomas, N. J.
DeRouen	Kefauver	Nelson	Wood
Drewry	Kelly	Nichols	
Fernandez	McGranery	Norton	
Flaherty	Magnuson	Pace	

The SPEAKER. Three hundred and seventy-six Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

AMENDMENT OF BANKRUPTCY ACT

Mr. SUMNERS of Texas. Mr. Speaker, I present a conference report and statement for printing under the rule on the bill H. R. 6505, an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States."

COMMITTEE ON BANKING AND CURRENCY

Mr. WILLIAMS of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the session of the House today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to extend his own remarks in the RECORD.

BILL RETURNED TO SENATE

The SPEAKER. The Chair lays before the House the following resolution of the Senate.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
February 22, 1940.

Ordered, That the Secretary request the House of Representatives to return to the Senate the bill (S. 2103) entitled "An act to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended.

Attest:

EDWIN A. HALSEY, *Secretary.*

The SPEAKER. Without objection, the request of the Senate will be granted.

There was no objection.

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 House Joint Resolution 407, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

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 House Joint Resolution 407, with Mr. WOODRUM of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the House adjourned on Wednesday the resolution had been read. It is now open for amendment.

Mr. DISNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DISNEY: Strike out the final period and substitute a comma and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade-agreement negotiations excise taxes imposed under the provisions of paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932, as amended, which are now a part of the Internal Revenue Code, subtitle (c), chapter 29, subchapter (b), part 1, sections 3420, 3422, 3423, 3424, 3425."

The CHAIRMAN. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. DISNEY. Mr. Chairman——

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

Mr. DISNEY. I yield.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude within 1 hour.

Mr. MURDOCK of Arizona. Mr. Chairman, reserving the right to object, how will the time be divided?

Mr. COOPER. That is a matter within the discretion of the Chair.

Mr. MUNDT. Mr. Chairman, reserving the right to object, I wonder if the gentleman will assure me of 5 minutes in

which I may speak on an amendment I propose to offer to the amendment.

Mr. COOPER. That is a matter, of course, as the gentleman knows, that is within the discretion of the Chair.

Mr. MUNDT. As the time is limited I fear I may be prevented from having 5 minutes in which to speak on my amendment.

Mr. COOPER. Recognition is entirely within the discretion of the Chair.

Mr. SMITH of Washington. Mr. Chairman, reserving the right to object, I would suggest that at this time those who desire to speak on the amendment indicate their desire so to do, that the Chair make note of those who want to be heard, and that the time be allotted by the Chair. I would like to indicate at this time, Mr. Chairman, that I want to be heard on the amendment.

The CHAIRMAN. The Chair, of course, will be compelled to recognize members of the committee. The Chair observes four members of the committee standing and several other gentlemen.

Mr. CONNERY. Mr. Chairman, reserving the right to object, I wish to offer an amendment to the amendment. I want to be assured of ample time for the consideration of this particular amendment.

Mr. BOREN. Mr. Chairman, so many members have arisen that I believe an hour entirely too inadequate and I will have to object.

Mr. McCORMACK. Mr. Chairman, will the gentleman reserve his objection?

Mr. BOREN. Gladly.

Mr. McCORMACK. I call the gentleman's attention to the fact that after the first 5 or 10 minutes has been consumed the chairman of the committee can move to close debate. An hour is rather liberal time on this amendment.

The regular order was demanded.

The CHAIRMAN. The regular order is demanded. Is there objection to the request of the gentleman from North Carolina?

Mr. BOREN. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Oklahoma objects.

The gentleman from Oklahoma [Mr. DISNEY] is recognized for 5 minutes.

Mr. DISNEY. Mr. Chairman, I am laboring at a tremendous disadvantage this morning, with practically no voice, so I shall have to ask your indulgence.

Mr. Chairman, unless the Members have read the remarks I made the other day on this subject, they cannot be fully informed on the details involved. I have tried to pursue an absolutely honorable and fair method in the presentation of this amendment. I have not lobbied nor logrolled with you, or at least I have with few of you. I want you to vote your judgment after you have thoroughly informed yourselves, if you care to take the trouble to inform yourselves on the subject.

May I offer a word of advice to those good men who come from the oil States, and there are 24 of those States. This is not a sectional matter. It is not a tariff matter. This is a matter of monopoly. I make the suggestion to those good friends of mine in the form of a question: If you vote against the amendment and then vote for the bill, where will you be with your people at home?

Mr. Chairman, this amendment puts these 1932 excises, only four in number, right back where they were in 1934, when this bill originally passed the House, because the House committee report from the great Committee on Ways and Means specifically provided that the President should not have the right to touch these excise taxes. When the bill got over to the Senate, the Senate committee specifically provided in the same language that the President and the Secretary of State should not touch these four excise taxes.

Let me read to you the words of Senator PAT HARRISON when he discussed this bill in the Senate. Of course, I cannot read it all. I would like to read the whole debate. He said that "the existing customs will be maintained." Now, listen to this language which was used in 1934, quoting from Senator HARRISON, who handled the bill in the Senate:

> It will be noted that, so far as tariff rates are concerned, the Presdent has the power to increase or lower them by 50 percent; but as to the excise taxes, they may be continued.

Look at the original bill, and you cannot find anything in it giving power to the President to do anything but continue the excise taxes. I defy any man to intelligently read the original bill and find any power in the President to do anything with the excise taxes except to continue them. Listen again to Senator HARRISON in the Senate:

> It was the intention of those who framed this legislation and of the House in passing the bill that they would be frozen; in other words, they [the excise taxes] might not be modified. All excise taxes are frozen by this bill.

Mr. COOPER. Will the gentleman yield?

Mr. DISNEY. Ask a quick question, because I am terribly short of time.

Mr. COOPER. I invite the gentleman's attention to the fact that in no less than a half a dozen places in the law itself other import restrictions are mentioned and excises are specifically mentioned.

Mr. DISNEY. Excise treatment. I cannot argue that in 5 minutes, but that is not a correct interpretation of the bill, and I would leave it to the gentleman himself, if he was sitting as a judge in a court, how would he decide it?

Mr. COOPER. It is the only interpretation that can be made. The language is clear and explicit.

Mr. DISNEY. The gentleman's judgment is no more binding on me than mine is on the gentleman. I leave to the House to read the original bill.

I would not be candid with the House if I did not tell it that after Senator HARRISON's discussion, when apparently by a gentleman's agreement in the Senate his amendment to clarify this language was laid aside, Senator Long, in the last 2 or 3 minutes of the debate in the Senate, introduced a similar amendment, which was voted down, with the help of votes of such men as Senator ASHURST and Senator HAYDEN, of Arizona, who are and were interested in these excise taxes. They voted for the amendment.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes. This is an important amendment to him and to the House, and I think he should have this extra time.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. DISNEY. I thank the gentleman for this fine courtesy, Mr. Chairman, Senator HARRISON, after this discussion, when apparently the Senate was satisfied with the position he was taking and the position I am taking now, withdrew his amendment. Then Senator Long introduced an amendment in the last 2 or 3 minutes of the debate, which was voted down by the votes of friends of the excise taxes themselves.

Let me tell you why I believe they did understand there was a gentleman's agreement that excise taxes were not to be touched. There is proof of this contention. Last year these same two Senators who voted for the Long amendment under this gentleman's agreement, as I understand it—and I repeat again—filed a letter with the Secretary of State, made it public, and broadcast it to the world, saying that the treatment of these excise taxes was a breach of faith with the Congress. Three times in their 40-page brief they said it was a "breach of faith with the Congress of the United States" to treat these excise taxes as tariffs. There was no agreement made with Chile which included copper.

Mr. MOTT. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Oregon.

Mr. MOTT. What is going to happen to the reductions in excise taxes that have already been made by the President under existing agreements?

Mr. DISNEY. If we do not do anything about this situation, it is a mandate to the State Department to go ahead and treat excises as tariffs. If we do pass this amendment, it is a mandate to the State Department to correct this error.

Mr. MOTT. In existing law?

Mr. DISNEY. They are not compelled to. No power on earth but the State Department, short of 3 years, can touch the Venezuelan Treaty, in which we from the oil States have a definite interest. Not until 3 years have elapsed and 6 months' notice of revocation is given can it be changed, and then only at the behest and ipse dixit of the State Department itself—not by Congress, which has lost control.

Mr. MOTT. If we do adopt this amendment, that mandate will be sufficient to induce the State Department to apply this to existing law?

Mr. DISNEY. It ought to be an unqualified mandate; yes.

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

Mr. DISNEY. I yield to the gentleman from Nebraska.

Mr. STEFAN. Several of us want to know what four commodities are affected by this amendment.

Mr. DISNEY. Copper, oil, lumber, and coal.

Mr. STEFAN. Are any of the vegetable oils affected?

Mr. DISNEY. No; they are not in the 1932 excise bill.

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

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

Mr. ARNOLD. In other words, a majority of the Senate, who would have taken care of this matter had they not thought the language itself did take care of them, voted Long's amendment down?

Mr. DISNEY. That is the way I construe it, and the RECORD bears me out. Any man who reads the Senate RECORD can arrive at no other conclusion, when friends of the excise taxes in the Senate voted against the Long amendment after Senator HARRISON's explanation. You would have done so and I would have done so. This is not a question of tariff so much as one of monopoly. With whom is this treaty? With Venezuela. Whom does the Venezuelan trade agreement affect? Three great oil monopolists who control the world market—the Standard of New Jersey, the Shell, and the Gulf, without a single Venezuelan stockholder. The oil business in Venezuela is a Government monopoly, and royalties paid by those companies go to the Government for running expenses. It does not affect their business as our business is affected, like our farmers, our filling-station men, and our independent oilmen, one jot or tittle. For the last 15 years I have seen the independent oilmen making this fight against monopoly. These three great monopolists are not only exporters, they are also importers. They control the world market by cartels. Last summer they bulged the imports into this country and promptly their subsidiaries, as in Ida Tarbell days, started cutting the price in Texas, and as promptly the Governors of the oil States had to order shut-downs of wells down to 21 barrels a day and less—wells that were capable of producing thousands of barrels a day.

[Here the gavel fell.]

Mr. DISNEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. KNUTSON. Reserving the right to object, Mr. Chairman, will this come out of the hour?

Mr. DISNEY. No hour limitation has been agreed upon.

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

There was no objection.

Mr. SMITH of Washington. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Washington.

Mr. SMITH of Washington. Is it not a fact that this is the only method whereby that condition affecting the excise taxes can be corrected? It cannot be done through the courts because we cannot frame issues at law or in fact or a legal proposition of which the courts would have jurisdiction.

Mr. DISNEY. I believe the gentleman is correct about that. This is the only practical way.

Mr. SMITH of Washington. In other words, it would have to be done by the Congress by binding or freezing the present excise taxes so that they cannot be reduced under future reciprocal-trade agreements.

Mr. DISNEY. The independent oil men have conserved and conserved and continued to conserve under the domestic pro ration plan. If you do not know about it yourself, ask men like the gentleman from Maryland [Mr. COLE] and the gentleman from Missouri [Mr. WILLIAMS]. They know the sacrifices that have been made for the last 10 or 12 years by the independent oilmen. This excise tax on oil is the only threat they have over the importers.

Last year 56,000,000 barrels of oil were imported. Twenty-two million barrels of that came in as bunker oil, absolutely scot free, and bunker oil by this agreement is bound and frozen as free, and Congress cannot do anything about it. If they bring in 150,000,000 barrels of bunker oil, it will still be free, and Congress has lost practical control. A 5-percent quota is fixed, it is true, but they will bring in the 5 percent and then continue to bring in the bunker oil free and additional imports at 21 cents a barrel, and that excise is frozen and Congress can do nothing about it. From a legal standpoint Congress can do something about it, but from a practical standpoint Congress cannot and will not do anything about it.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does the gentleman's amendment as it is worded also protect the excise taxes on lumber, coal, and copper?

Mr. DISNEY. Yes.

I would not be candid with this House if I did not tell you that the State Department has in the Canadian treaty and the Cuban treaty treated the excise taxes on lumber as tariffs.

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

Mr. DISNEY. Yes.

Mr. MOTT. The State Department cut off two-thirds of our excise tax on lumber. It abolished the quota altogether, and it suspended the requirements of the law which provided that imported lumber should be marked.

Mr. DISNEY. Now, from a practical standpoint there is nothing we can do about this matter for 3 years and then only after 6 months' notice to Venezuela. If then the State Department decides to give notice of abrogation, action can be had. The independent oilmen have been fair with you people here. They have conserved the oil. As I said a while ago, men with oil wells capable of producing a thousand barrels a day are shut down to 21 barrels a day or even less, and in the 7 years prior to the placing of the excess tax on imported oil the average price of gasoline in the United States was 17 cents plus per gallon, and for the 7 years since that time it has averaged 13.36 cents per gallon. The consumer has benefited by the attitude and the conduct of the independent oilmen.

The independent oilmen are entitled to have these excise taxes as a moral restraint on these big importers. There has been a moral restraint since 1932. Let no man attempt to say truthfully that the taxes on oil affect the price of asphalt for road-making purposes. Asphalt is a dollar a ton cheaper since the excise tax has been on and has averaged less since the excise tax than prior to the exaction of the excise taxes.

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

Mr. DISNEY. I yield.

Mr. MAY. What has been the amount of reduction in the excise tax on oil?

Mr. DISNEY. From 21 cents a barrel to 10.5 a barrel under a 5-percent quota, but do you not understand that after they filled the 5-percent quota at 10.5 cents they can import all they please at 21 cents, and they are not afraid of the 21 cents excise tax? They are afraid of congressional action. They are not afraid of it because of the difference in cost of production due to the cheap labor in Venezuela, as compared with a cost of production here of $1.03 a barrel. They are not afraid of anything but congressional action, but by this plan Congress has abdicated its power. Let the independent oilman say this fall at election time: "My State Department made a mistake, to my detriment. I appealed to my legislative department, that bulwark of personal rights all down Anglo-Saxon history, and it redressed my grievance. My Government has been fair with me." [Applause.]

[Here the gavel fell.]

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sympathetic with what the gentleman from Oklahoma is seeking to accomplish, but I would like to know why he does not go further and take in vegetable oils and other oils upon which Congress has fastened an excise tax.

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

Mr. KNUTSON. I yield.

Mr. DISNEY. Is not that the duty of someone?

Mr. KNUTSON. As a matter of fact, most parts of the country are consumers of oil, coal, lumber, and copper, and for the life of me I cannot see why we should single out those four commodities for special treatment. It is my understanding that the gentleman from Wisconsin [Mr. BOLLES], in the event the Disney amendment is defeated, will offer an amendment not only to take care of the four commodities in which the gentleman from Oklahoma is interested, but will go further and take care of the vegetable-oil situation.

We import into this country from the Orient and from South America something like 800,000,000 pounds of vegetable oils annually. Certainly that importation is equally injurious to a large element in this country that cannot meet such competition as successfully as can the powerful oil, copper, coal, and lumber interests. I do not believe the gentleman can safely gainsay that his amendment should go further than he proposes.

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

Mr. KNUTSON. I yield.

Mr. STEFAN. The gentleman should also include blackstrap molasses, which is coming in here in large quantities annually and preventing the sale of a lot of corn.

Mr. KNUTSON. We are talking about commodities upon which Congress has fixed an excise tax. Molasses would have to be treated separately.

Mr. STEFAN. I agree with the gentleman.

Mr. KNUTSON. I hope the Disney amendment will be voted down, so that we may have an opportunity to vote for the amendment to be offered by the gentleman from Wisconsin [Mr. BOLLES], which will take care of vegetable oils in addition to copper, lumber, and coal.

I took the floor for the purpose of appealing to the Republican side of the House to vote this amendment down.

Mr. STEFAN. The gentleman would also include coconut oil?

Mr. KNUTSON. Yes; all imported oils.

[Here the gavel fell.]

Mr. MURDOCK of Arizona. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahome [Mr. DISNEY].

Let me preface this brief statement by saying I favor our reciprocal trade agreement program in general, and I much prefer that our commercial rates and regulations pertaining to foreign trade shall be adjusted by an impartial board of experts, giving their entire time to the study and having the interest and welfare of the whole country at heart, rather than to have foreign trade regulated by tariffs enacted through much logrolling and wirepulling and domination by pressure groups and special interests, as has been the case so much in the past. I believe we have recently hit upon a better way of doing the thing than was formerly our practice and method, even though we have to delegate some of this power to the executive department of the Government.

I am not a free-trader and I do believe in a certain amount of protection, but I cannot look with favor upon the history of our tariff makings and I do not wish to return to the old practice. I believe that certain sections of our country—first the South and later the West—and certain classes of our people, notably the farmers, have been grievously discriminated against by the operation of the protective tariff. Not so much that the principle of the protective tariffs has been bad, but the method of framing of such tariff laws has not been good. It is quite evident that our high protective tariffs of the past have represented the efficiency and influence of the lobbies of special interest rather than the common interests of the Nation.

Although I propose to vote to continue the reciprocal trade agreement program, I do propose to vote for this Disney amendment and possibly one or two others. Certainly I would like to have specifically exempted from the field of study by the State Department those items of commerce on which excise duties have already been placed by an act of Congress. I believe the law as it now stands does not contemplate that such duties shall be changed by trade agreements, but that there may be no doubt about it, I would like the law to be clear and unmistakable. Congress has seen fit to act with respect to these excise duties. Let them be modified only in the same way by the same highest legislative authority. Therefore I shall vote for the Disney amendment.

Last autumn, when the proposed agreement with Chile was being considered, men from the copper-producing States asked that copper be not included. To have included it in such a trade agreement would have been ruinous to at least one copper-producing State. I felt confident at the time that those conducting the study would give the whole matter full and fair consideration and do nothing hurtful. Fortunately it turned out as I had hoped, and still more fortunately the State Department broke a precedent and announced in the latter part of December that copper would not be included in any trade agreement that might be entered into with Chile. That announcement, as well as the spirit back of it, was a very material benefit, and I certainly appreciated it even though I was expecting it.

The question might then be asked, If the State Department did safeguard the interests of your State and community thus, why hesitate to continue to rest such power in their hands? I will say that, so far as I am personally concerned, I do continue to have confidence, certainly in the present personnel of the State Department, but a large proportion of my constituents do not share that confidence. Many westerners feel that frequently laws passed by this national lawmaking body, and the administration of law from Washington, and rulings of departments and bureaus pertaining to the West are by men who are unacquainted with the West, or insufficiently acquainted with it, so that western interests are too likely to be ignored. Therefore, although feeling full confidence myself in the present State Department personnel, relying upon their judgment and wisdom, and agreeing with their apparent motives, I nevertheless, because of the wishes of my constituents and to safeguard against a possible less wise and judicious personnel in the State Department, shall vote for the Disney amendment and hope thereby to make certain what is now the plain intent of the law.

Mr. CONNERY. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: "*Provided*, That no commodity or article shall be included in any foreign-trade agreement entered into which permits the entry into American markets of products of workers, farmers, or miners of foreign countries at total landed costs, all tariff duties paid, which total costs are less than the cost of production or wholesale selling price of competitive products of American workers, miners, or farmers where such American products are commercially available."

Mr. COOPER. Mr. Chairman, I reserve the point of order on the ground that the amendment to the amendment is not germane.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard?

Mr. CONNERY. It is my understanding that it is germane. It is simply a proviso to the amendment already before the Committee.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard upon the point of order?

Mr. COOPER. Mr. Chairman, I have reserved the point of order.

The CHAIRMAN. The gentleman from Massachusetts will proceed.

Mr. CONNERY. Mr. Chairman, on Wednesday I addressed the committee and gave notice that I would present

for your consideration the amendment which the clerk has just read.

The effect of this amendment, when enacted, will be to prevent competitive imports, whether they be the product of industrial, of mining, of field, or of farm workers in foreign countries, from being dumped into our American markets at less than our costs of production of competitive articles or commodities.

There are some who may contend that the costs of production varies and therefore I have provided that the experts have a choice because where there is the slightest difficulty in ascertaining the costs of production, surely they will have no trouble in finding American wholesale selling price.

When the present European and Asiatic wars are ended—and we all hope that the end will come soon—we will need to have not flexibility or discretion in the levying of import duties on competitive foreign products so much as we will have to have some very positive assurances that our markets will not be used as the dumping grounds of the war-impoverished nations of the world.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Very briefly.

Mr. AUGUST H. ANDRESEN. What assurance can the gentleman give after this authority is delegated to the bureaucratic group down here that they will not use our market for a dumping ground?

Mr. CONNERY. If this is made a part of the law, it will stop them. The gentleman need have no fear on that ground.

Mr. AUGUST H. ANDRESEN. The gentleman is advocating a good American doctrine.

Mr. CONNERY. It is too bad this was not included in the original Wage and Hour Act. If this foreign limitation had been so included, we would not have this difficulty today.

It is well for all of us to know that the 40-hour workweek has vanished in France and England, and that in those countries, as well as most of the other warring nations, the present trend is back to the workweek of at least 60 hours. Not only have these workers been forced to work these longer hours, but, also, in the interests of national economy their wages have been relatively reduced. This condition among the workers of all the warring nations will not end with the ceasing of war hostilities.

I do not look upon the matter of tariff duties as a political question. It is my firm belief that tariff protection—that is, tariffs duties—which will insure equal opportunities in American markets for the products of American workers, which products of American workers are competitive with products of workers in foreign countries, is an economic question.

It is freely admitted that we have some nine or ten millions of American workers who are now unable to secure profitable employment. We all have an obligation to do whatever it is possible for us to do to provide opportunities of employment for these American workers. Surely, we canot be helpful in obtaining employment for these workers if we permit a condition to continue which allows the competitive products of workers in foreign countries entry into American markets at less than the costs of production of competitive American goods or articles. On the other hand, why should we hesitate to insure the continued job opportunities of those American workers now employed?

Surely there is no Member of the Congress who would knowingly vote for legislation which he felt would permit the entry into our American markets of the competitive products of workers in foreign countries at less than American costs of production.

Then, again, surely no Member of the Congress will willingly and knowingly vote to set aside or nullify the benefits which the Congress has conferred on all American industrial workers through the enactment of the Fair Labor Standards Act.

One cannot expect that American workers will retain their jobs with minimum wages of not less than 30 cents per hour when dollar-minded American and foreign distributors of goods and commodities can secure the same competitive articles in foreign countries at a much lower cost to them.

This amendment specifically provides that this legislation is effective only when competitive American products are commercially available. This language is not new in legislation. I note that in all Government contracts the Treasury Department restricts the expenditure of Government funds to those American goods which are commercially available.

Surely, when the Congress is justified in protecting the job opportunities of workers employed in the production of goods used by governmental departments, we are under an obligation to protect the job opportunities of those of our workers who are dependent for their jobs in those American industries, the products of which must meet the competition in American markets of the products of the much lower wage paid workers in foreign countries.

In closing, Mr. Chairman, I appeal to the members of the Committee to support this amendment and thus insure their ability to proclaim from the housetops that henceforth no American industrial, mining, field, or farm workers will be able to complain that imports of competitive products have deprived American workers of much-needed employment or American farmers of an opportunity of securing a fair price in American markets for the products of American farms.

Mr. COOPER. Mr. Chairman, I insist upon the point of order upon the grounds that the amendment offered by the gentleman from Massachusetts is not germane to the amendment offered by the gentleman from Oklahoma.

The CHAIRMAN. Does the gentleman from Massachusetts care to be heard upon the point of order?

Mr. CONNERY. Mr. Chairman, it is my understanding that it is perfectly germane inasmuch as the amendment of the gentleman from Oklahoma is an amendment of limitation. My amendment is simply a further limitation on the gentleman's amendment.

The CHAIRMAN. The point of order made by the gentleman from Tennessee [Mr. COOPER] is that the amendment of the gentleman from Massachusetts [Mr. CONNERY] is not germane to the pending amendment offered by the gentleman from Oklahoma [Mr. DISNEY]. The Disney amendment relates to the exclusion of certain excise taxes. The amendment of the gentleman from Massachusetts introduces an entirely new feature and undertakes to limit the authority granted the President on the question of cost of production as well as the wholesale selling propositions. The Chair thinks that while the amendment would undoubtedly be germane to the resolution pending before the House, yet it is not germane to the Disney amendment, and sustains the point of order.

Mr. CONNERY. Then, Mr. Chairman, it is my intention to introduce it as an independent amendment later.

Mr. CASE of South Dakota. Mr. Chairman, would the Connery amendment be germane at this time if offered as a substitute to the Disney amendment?

The CHAIRMAN. It is not germane to the Disney amendment either as a substitute or as an amendment.

Mr. CONNERY. But it would be germane as an independent amendment?

The CHAIRMAN. The Chair thinks so.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the Disney amendment, and ask unanimous consent to speak for an additional 5 minutes.

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

There was no objection.

Mr. McCORMACK. Mr. Chairman, in considering the Disney amendment from a legal standpoint as argued by the gentleman from Oklahoma [Mr. DISNEY], it is being proposed to exclude import taxes originally imposed under the Revenue Act of 1932, and now effective under sections 2490 to 2494, inclusive, and sections 3420 to 3431, inclusive, of the Internal Revenue Code, from the purview of the Trade Agreements Act, and to deprive the President of his power to bind existing excise taxes insofar as they may affect articles covered by a trade agreement.

It should be noted that the taxes imposed upon imported petroleum, coal, lumber, copper, and various oils, by the Rev-

enue Act of 1932, were under the terms of the statute itself to be treated for the purposes of all provisions of law relating to customs revenue as a duty imposed by the Tariff Act of 1930, with certain exceptions not here pertinent (57 Stat. 259). This merely conforms to the established doctrine of the Supreme Court's decisions which hold that regardless of how taxes may be designated by the Congress, if they are imposed on imports while in customs custody, they are essentially customs duties (*Brown* v. *Maryland*, 12 Wheat. 419; *Almy* v. *California*, 24 How. 169; *Robbins* v. *Shelby County*, 120 U. S. 489; *May* v. *New Orleans*, 178 U. S. 496; *Fairbanks* v. *United States*, 181 U. S. 283). Therefore, when Congress, in 1934, authorized the President to "proclaim such modifications of existing duties * * * as are required and appropriate to carry out any foreign-trade agreement" entered into under the Trade Agreements Act, it must have intended to include these import taxes, which it had itself characterized as duties. Moreover, the Court of Customs and Patent Appeals, in the case of *United States* v. *Domestic Fuel Corporation* (71 F. (2d) 424), referred to the tax on coal, which was involved in that case, as a duty (p. 430). Since these taxes are treated as duties imposed by the Tariff Act of 1930, they are, for the purposes of the Trade Agreements Act, in the same class as any other customs duty, and there is no reason why they should be segregated from the other duties which may be considered in trade-agreement negotiations.

As for depriving the President of power to bind or modify existing excise treatment, the law, of course, specifically authorizes such action, and the necessity for such power is obvious when it is considered that a concession with respect to customs duties carries little bargaining power if any such concession can subsequently be nullified by the imposition or increase of internal taxes with respect to the articles on which the customs concession was granted. In other words, in measuring the value of a customs-duty concession, the extent of all other charges and exactions in effect at the time the concession is made is considered, and if these other charges and exactions are increased after the concession is made, the concession decreases in value by the extent of the increase in the other charges.

The law establishing these import-excise taxes itself says:

> Shall be levied against, collected, and paid in the same manner as the duty imposed by the Tariff Act of 1930.

That is the language of the act of Congress in imposing these import-excise taxes.

This question came up in 1932 when these taxes were put on. We all remember the situation that existed at that time. They were put on by a roll-call vote of 204 to 187. Seventy Republicans voted against the imposition of these import-excise taxes, one of them being the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN]. Another was the gentleman from Massachusetts [Mr. TINKHAM]; the gentleman from Massachusetts [Mr. TREADWAY]; the gentleman from Massachusetts [Mr. GIFFORD]; the distinguished former Member of the House, one of the authors of the Hawley-Smoot bill, the former Congressman Hawley; the late Congressman Haugen; and others. Seventy Members of the minority party on that roll call voted against the imposition of these taxes. They voted against any kind of an import-excise tax. I joined with them. It happened that I led the fight against these particular import-excise taxes on that occasion. I took the broad position that this was an artificial means of creating another tariff, a super-tariff, imposed upon the provisions of the recently enacted Hawley-Smoot bill, already unreasonably high. Such a procedure was also wrong in principle. The Ways and Means Committee and the Congress did not consider, in the imposition of the import-excise taxes, the essential elements necessary in the imposition of a duty. The fight was close and 70 members of the minority party on that occasion, some of whom are now Members of the House, voted against the imposition. The argument was made, and well made, that it would be injurious to industry of the United States and detrimental to the best interests of the consumers of the country.

Now, what are some of the facts? We exported in 1938 $338,000,000 worth of crude petroleum and its byproducts, and we only imported $39,000,000, plus. Now, that is the broad situation. So far as Venezuela was concerned——

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

Mr. McCORMACK. I yield.

Mr. COOPER. And there is something like two and one-half billion dollars of annual production of petroleum?

Mr. McCORMACK. The gentleman is absolutely correct. The value of products of petroleum refined in the United States in 1937 is estimated to be in excess of two and one-half billion dollars, and we exported in 1938 $388,000,000, plus; and we imported $39,000,000 plus.

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

Mr. McCORMACK. I will yield in just a moment.

As far as Venezuela is concerned, we sell 60 percent of all the goods that country buys from all the countries of the world. We buy from them 22 percent of what it sells to all the countries of the world. In dollars and cents we sell Venezuela about $60,000,000 worth of American products each year. We buy from Venezuela about $22,000,000 worth of products each year. There is the broad picture.

Now, let us look at it from another angle. Mr. Battle, representing the National Coal Association, appeared before the committee. He frankly said that the coal industry was not harmed, but it feared what might happen in the future. He frankly admitted that the coal industry exports 13,000,000 tons a year and that Canada is the greatest purchaser. He frankly admitted that the trade agreement removed Canadian restrictions against the sale of American coal and coke; the removal of 3 percent excise tax in Canada imposed upon all imports; the removal of other restrictions that existed under Canadian law against imports from the United States, and particularly harmful to the sale of coal and coke in Canada. We purchase about 600,000 tons a year of imports, ranging from 550,000 tons to 800,000 tons. There is the broad picture. He admitted there was no harm under trade agreements. He admitted that they wanted to have the import excise tax on crude petroleum increased to 1 cent or more. Why? Not because they were thinking of the consumer; not because they were thinking of American industry, but because they wanted to have the price of crude petroleum and its byproducts increased by law to a point where coal could then undersell them. He frankly admitted that they had a common interest with the oil industry up to a certain point. In other words, they wanted to have the price of crude petroleum and its byproducts increased with the ultimate imposition of a 1-cent per gallon tax to enable coal to undersell crude petroleum. In other words, we have the spectacle of coal and petroleum, those interests from one angle being linked up in the unholy situation of trying to obtain the passage of legislation that will result in an increase in the cost of petroleum and its byproducts to the consumer, to the American business people, and as far as coal is concerned, then have the price of oil go up so high that people who are now using oil will resort to coal. Purely a cold-blooded, unadulterated selfish interest. That was the sum and substance of the testimony of Mr. Battle, representing the National Coal Association, when he appeared before the Ways and Means Committee.

Seven years ago oil was selling at from 10 to 25 cents a barrel. The papers recently carried the news item of the official statement issued by representatives of the oil industry, that they had had the best year last year that they had had in 12 years. I put that in the RECORD. They said that they expected that the coming year will be the best year they have had in many, many years. Oil is now selling for from 75 to 80 cents a barrel. I hope it sells higher. On the other hand, however, 7 years ago oil was selling at from 10 to 25 cents a barrel. Certainly under conditions that exist today they have no justifiable complaint. The lower import excise duty, and it is a duty, applies only to 5 percent of the total production of continental United States.

This amendment is hostile to the resolution reported by the committee. I hope this amendment will be defeated not by a Democratic vote alone but by Representatives of both parties voting for the best interests of their constituents. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Pennsylvania [Mr. VAN ZANDT] is recognized for 5 minutes.

Mr. VAN ZANDT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The citizens of the great coal fields of our Nation are sick and tired of Government subsidized and unregulated substitutes for fuel taking the bread and butter out of the mouths of the great working class and their dependents.

Not content with subsidizing T. V. A., where cheap power is furnished certain citizens at the high cost to others, we have the spectacle of our own Government under the guise of reciprocal-trade agreements destroying more jobs of railroaders and coal miners by permitting the importation of foreign oil to flood our markets. Does this make sense? Our Government on the one hand assists in the development of substitutes for coal, maintaining research laboratories at an expense of millions of dollars, while on the other hand the relief rolls are increased by the addition of thousands of coal miners and railroaders forced to go on the dole through this shortsighted and asinine policy.

Now, let us look at the facts.

According to the official testimony given at hearings on the reciprocal-trade question before the Ways and Means Committee, it was brought out that the importation of oil from Venezuela during the year 1939 amounted to 56,000,000 barrels, of which 22,000,000 barrels called bunker oil came in duty-free.

It was further stated that during the year 1940, 84,052,000 will be imported from Venezuela, of which 22,552,000 will be bunker oil, which is duty-free.

To the average person the importation of 56,000,000 barrels of oil in 1939 may be of little significance, but to the coal miner and the railroader it is a definite threat to his very existence.

Considering that 4 barrels of oil is equal to 1 ton of coal, 56,000,000 barrels of oil is equal to 14,000,000 tons of coal. Since a miner digs on an average of 906 tons of coal a year, the displacement of 14,000,000 tons of coal means that over 15,450 coal miners were denied employment.

As previously mentioned, during the year 1940, 84,052,000 barrels of Venezuelan oil can be imported, and it is easy to see that, using the ratio of 4 barrels of oil to 1 ton of coal, 21,013,000 tons of coal will be displaced, throwing out of employment 23,200 coal miners during 1940.

With the reciprocal-trade agreements continuing until December 16, 1942, what does this flood of Venezuelan oil mean? It means that from now until January 1943, using a conservative figure, 21,000 coal miners will be out of a job and forced to seek relief. And remember in the above figures we have not considered the shortsighted policy of allowing the importation of over 400,000 tons of Russian coal that can be brought into this country free of any duty.

The rail and coal industries are inseparable companions. When you cripple one, you likewise inflict injury on the other.

As has been said, 21,000,000 tons of coal will be annually displaced as a result of the "Venezuelan flood," and considering that the standard railroad car has a capacity of 50 tons, 42,000 railroad cars will stand idle in the railroad yards of the Nation.

Continuing our discussion, since 6 cars represent 1 railroader's job, therefore 7,000 railroad men will annually lose their means of earning a livelihood.

As a result of the Venezuelan agreement we have the harrowing spectacle of 20,000 coal miners with 7,000 of their brothers in the railroad industry forced to join the army of the unemployed.

Is it any wonder that I arise here to protest such a cockeyed policy of our Government that is driving our citizens to the already overcrowded relief rolls?

Thus we have T. V. A., the politician's golden dream and the taxpayer's hideous nightmare, taking an average of 21,000 jobs annually, followed by natural gas, another competitor, claiming 60,000 jobs, in round figures.

The above figures, coupled with the 27,000 coal miners and railroaders forced to seek employment elsewhere as a result of these ill-conceived policies of this New Deal government, brings the grand total to 108,000 citizens rendered jobless.

It would be well, indeed, were we to turn our attention to the problems of our own American citizens and forget the plight of the foreigner until our own people are taken care of.

In short, let us have a reciprocal-trade agreement with the American workman. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

Mr. BOREN. Mr. Chairman, reserving the right to object, I want to be assured that there will be ample division of time to all members who want to speak.

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, I ask the Chair whether this would mean there would be no debate whatsoever on the amendment to be offered by the gentleman from South Dakota [Mr. MUNDT] to the pending amendment?

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

Mr. H. CARL ANDERSEN. I yield.

Mr. COOPER. That amendment, of course, has not been offered.

Mr. H. CARL ANDERSEN. But it will be offered, I understand.

Mr. COOPER. I respectfully suggest that there is pending at the present time an amendment to the amendment.

Mr. MUNDT. Mr. Chairman, reserving the right to object, my amendment has been at the Clerk's desk all this time. I have been unable to secure recognition from the Chair.

The CHAIRMAN. The Chair cannot recognize everyone at once.

Mr. MUNDT. I meant no criticism of the Chair, but the gentleman from Tennessee seemed to imply laches on my part. As a matter of fact, it has been offered so far as I have been able to offer it at this time; it has been pending at the Clerk's desk, and I have been seeking recognition.

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

Mr. THILL. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Kansas [Mr. CARLSON] a member of the committee, is recognized for 5 minutes.

Mr. CARLSON. Mr. Chairman, the gentleman from Massachusetts [Mr. McCORMACK] would have you believe that the enormous increase in trade with Venezuela was due altogether from the reciprocal-trade agreement that we made with that country. I call his attention and the attention of the House to the fact that in 1939 we exported 3,000,000 bushels of wheat, 95,000 barrels of flour; we exported fruit and nuts to Venezuela with direct subsidy payments. All this is included in this increase of trade with Venezuela. I have noticed throughout the entire debate on this bill how easy it has been for the majority to talk about the great increase of trade with agreement countries and decrease of trade with nonagreement countries, but the facts are that while we are exporting enormous quantities of commodities to trade-agreement countries we are likewise exporting enormous quantities to non-trade-agreement countries under direct subsidy by the Federal Government. I hope the members will keep this in mind during the debate as it develops today, because it seems as though the majority have forgotten to mention it. I hope at a later stage in the proceedings this afternoon to discuss this matter further.

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

Mr. CARLSON. Very briefly.

Mr. HOPE. Is not the fact that we have had to put export subsidies on many of our farm commodities a confession and admission that the reciprocal trade agreements policy

has utterly failed to expand our market for agricultural products?

Mr. CARLSON. Absolutely; and I expect to discuss that further later on this afternoon.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I hope the gentleman will pardon me, but I cannot yield further.

Mr. Chairman, I want now to discuss the Disney amendment. I rise at this time in support of the Disney amendment.

The gentleman from Massachusetts has discussed imports. It seems to me that is not the issue here this afternoon. The issue is, Has Congress delegated to the State Department authority to change these excise taxes? The oil industry, for one, does not believe we have, and I do not believe Congress intended to. In the few minutes I have I wish to stress this point. The gentleman talks about the supertariff. The supertariff, however, has not cost the citizens of this country any more for their oil. Oil is now one of the lowest-priced commodities the consumer buys. The tax on the oil industry has provided revenue to the Federal Government. It seems to me it is time we began to look at that phase of the matter. We have collected $56,000,000 in revenue from these excise taxes on oil and paid this to the Federal Treasury. Of this amount, $33,000,000 has come from imported oil from Venezuela. Now, do we want to destroy this source of revenue? This is one of the questions that faces the House this afternoon.

The oil industry pays $1,300,000,000 in taxes to the National, State, and county governments. It is easy to say, "Let us place a tax on the oil industry." We have been doing it, but are we today going to authorize the State Department to reduce these excise taxes in order that we may import a large quantity of oil and destroy the tax base of this great industry? Are we going to throw a lot of people out of work or reduce their wages? This is the issue as I see it here this afternoon. We employ 1,000,000 people directly in this industry. We pay an annual wage of $1,500,000,000 in this industry. Farmers receive $200,000,000 in rentals. Now, do we want to import oil from Venezuela or anywhere else at reduced rates or without a tariff at all? The question is, Are we going to protect American industry and labor? We have the opportunity now; not just this one industry, but all industry that receives the benefit of excise taxes: namely, oil, coal, lumber, and copper. [Applause.]

[Here the gavel fell.]

Mr. MUNDT. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MUNDT to the amendment offered by Mr. DISNEY: Amend the amendment by inserting after the words "agreement negotiations" the following: "paragraphs 701, 702, 706, 709, 710, 711, 712, and 713 of schedule 7 of title I of the Tariff Act of 1930 and."

Mr. COOPER. Mr. Chairman, I reserve a point of order against the amendment. It is not germane to the Disney amendment and it is not germane to the resolution under consideration.

Mr. MUNDT. Mr. Chairman, let me read you, first of all in plain English what this amendment of mine proposes to do, as you have heard it read by number and section only. It simply accepts the argument of the gentleman from Oklahoma [Mr. DISNEY] that the oil industry needs protection from undue foreign competition and cheap foreign imports and applies that sound philosophy and reasoning to another industry which equally needs protection from undue imports of cheap foreign producers, namely, the farming industry, and would add to oil, which he seeks to protect, the same protection for farm products which is equally important to the farmers of the Middle West and anywhere in America as oil is to Oklahoma or Texas.

This amendment will add to this protection on oil and a few other specialized industries in which a few individual States are interested, an equally necessary protection of a general nature to the farm industry, including the following items, to-wit: cattle, sheep, meats, whether they be frozen or packed, including our old friend Argentine beef, butter, cheese, birds, dead or alive, chickens, ducks, geese, turkeys, and so forth, eggs and various types of poultry, together with other farm products. It will take those agricultural items of which we can admittedly produce a sufficiency in this country and protect them against the competition of cheap foreign producers.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Will the gentleman's amendment protect the turkey industry of the Seventh Congressional District of Virginia, so ably represented by the gentleman from Virginia [Mr. ROBERTSON]?

Mr. MUNDT. It will protect the turkey industry of Virginia and the much greater turkey industry of South Dakota.

Mr. SCHAFER of Wisconsin. No doubt the gentleman from Virginia [Mr. ROBERTSON] will support the gentleman's amendment, if it will protect that industry.

Mr. MUNDT. If he is interested in protecting the turkey farmers, he will support my amendment.

Let me suggest to you who come from the oil-producing States that you come along and join us in this worth-while effort to protect the producers of raw materials from the farm as well as from oil wells and coal mines. I feel that by doing so you will enhance the chances of the Disney amendment passing, because those of us coming from the agricultural part of the country, purchasers of oil and coal, if you please, recognize the logic of a protective system for raw materials, and are perfectly willing to pay this increase in the price of oil if we can receive cost-of-production and parity prices for the produce raised in the agricultural part of the United States.

Mr. BUCK. Will the gentleman yield?

Mr. MUNDT. I will yield if I can secure 5 additional minutes in which to continue my argument.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

Mr. COOPER. Mr. Chairman, reserving the right to object, I have been very generous with the gentleman. I have reserved a point of order.

Mr. MUNDT. The gentleman will appreciate then it is very difficult to yield. I cannot yield unless I can secure additional time. I dislike this idea of closing debate and trying to curb discussion whenever a farm matter comes up for discussion in this Democratically controlled Congress. We listen for 15 minutes to the gentleman talk about oil. Any farm representative could have objected to that unanimous request, but none did. However, as soon as a Member gets up to talk about the farming industry, at once we feel the pressure to close debate, stop discussion, and the reason is quite obvious. You gentlemen of the New Deal know full well that you are sabotaging the American farmer by subjecting him to these cheap foreign farm imports from abroad. [Applause.]

I do not blame the new dealers for not wanting to listen to a discussion of the effect of reciprocal-trade agreements upon the farm problem. When we consider the fact that the American farmer today is receiving far below his cost of production, you can well realize these gentlemen of the New Deal are in a serious position when they try to tell the American farmer that he should accept cheap imports from abroad in order to increase the alleged surplus which the Wallace farm program is supposedly trying to diminish.

I want to urge the gentleman from Oklahoma [Mr. DISNEY], his colleagues the gentlemen from Texas, and other Democrats interested in oil to join with us who are interested in the farm problem, team up with us in connection with this amendment, and in that way, by combining our forces we shall be successful in exempting from negotiation the various products of the soil. [Applause.]

[Here the gavel fell.]

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment to the amendment.

The CHAIRMAN. Does the gentleman from Tennessee [Mr. COOPER] desire to be heard on the point of order?

Mr. COOPER. Very briefly. I make a point of order against the amendment to the amendment on the ground the amendment offered by the gentleman from South Dakota is not germane to the Disney amendment; neither is it germane to the resolution now under consideration. The amendment here offered is not an amendment to the excise taxes of existing law, but seeks to amend the tariff act with respect to certain rates. I submit, therefore, that the amendment to the amendment is not germane.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, I submit that this amendment is germane to the amendment under discussion. In the first place, it does not propose to amend the existing tariff act but simply to exempt specific items of the tariff act from further negotiations by the Department of State with foreign countries. In the second place, I submit that the underlying philosophy of the Disney amendment is that it would exempt from further trade-agreement negotiations certain specific products. My amendment does precisely the same thing. I suggest that Public Law No. 316, of the Seventy-third Congress, as amended, section 350 (a) (2) contains the following language:

To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs of excise treatment—

Let me repeat that, Mr. Chairman:

of excise treatment of any article covered by foreign-trade agreements, as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder.

I submit further, Mr. Chairman, that in the special individual report of the gentleman from Oklahoma [Mr. DISNEY], which is given us with the report of the Committee on Ways and Means on this joint resolution, he points out the fact, of which we are all aware, that Secretary Hull by his own decision and his own interpretations has ruled that excise tariffs and the tariffs of the act of 1930 are synonymous and one and the same. I feel confident that the gentleman from the Committee on Ways and Means who has raised the point of order and who contends, I believe, against the gentleman from Oklahoma that the excise tariffs are something different, cannot oppose the judgment of Secretary Hull, whose bill he is attempting to rush through this Congress, and now contends that they are something else, since Secretary Hull, who was the author of the policy, has ruled in his own words and in his own decision and his own action that excise tariffs and the tariffs of the act of 1930 are to be treated as one and the same.

I submit that my amendment is germane, Mr. Chairman.

The CHAIRMAN. The Chair would like to ask this of the gentleman as a matter of information. The Disney amendment deals with excise taxes as proposed by paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932.

Mr. MUNDT. That is right.

The CHAIRMAN. The sections which the gentleman brings in by number include a number of different sections of schedule (7) of title I of the Tariff Act of 1930. The Chair would understand that to relate to sections which deal with import duties as distinguished from excise taxes.

Mr. MUNDT. The distinction is not recognized, Mr. Chairman, by the Secretary of State, who holds that they are one and the same. That is the reason we are in the difficulties in which Mr. DISNEY finds himself, and he has had to offer the amendment in the first instance.

The CHAIRMAN. Of course, the Chair cannot be advised as to what the ruling of the Secretary of State would be on it; but, fundamentally, if as a matter of fact the gentleman's amendment brings into the picture a different class of taxes, his amendment is not germane to the Disney amendment.

Mr. MUNDT. May I submit, Mr. Chairman, that the connecting feature between my amendment and the place where it picks up the Disney amendment is the coordinate conjunction "and," and that they both are based on the same fundamental premise of exempting from further negotiations certain specific products—oil in one instance, and beef, eggs, and other specified farm products in the other. Thus it is strictly in line with the motive and the purpose and the objective of the Disney amendment. Both apply to procedures of the Secretary of State, in which he has treated them as synonymous in the past. I feel we should accept the interpretation of the Secretary of State on that point.

The CHAIRMAN. The Chair would like to hear what the gentleman from Tennessee has to say on the question of whether this is a different class of tax or whether it is the same.

Mr. COOPER. That is my insistence, Mr. Chairman, and the real basis for the point of order.

The CHAIRMAN. What does the gentleman say as to the contention that they have been treated by the department administering the law as the same type of tax?

Mr. COOPER. I submit to the Chair that that is not the controlling phase of the matter at all. The fact is that one act of Congress levies certain duties, customs duties, tariff items. Now, the gentleman is here seeking to amend those provisions of the tariff act levying certain tariff rates and customs duties through the guise of offering an amendment to an amendment relating solely to excise taxes.

Mr. MUNDT. May I suggest that I am sure the gentleman who has just spoken does not wish to imply what his words seemingly indicate, that the Secretary of State is acting directly contrary to the expressed will of Congress.

Mr. COOPER. Mr. Chairman, I do not need any lecture from the gentleman from South Dakota about what I think of the Secretary of State.

Mr. MUNDT. I am just trying to find out here as a matter of definition. The Secretary of State rules either one way or another; either he is in error or the gentleman's point of order is not valid.

The CHAIRMAN (Mr. WOODRUM of Virginia). The Chair is ready to rule.

It is difficult for the Chair to understand them when amendments refer merely to section numbers, but from the information the Chair has it seems that the amendment offered by the gentleman, while most likely being germane to the resolution, is not germane to the Disney amendment, because it does seek to bring in, theoretically at least, a different class of taxes—tariff import taxes—whereas the Disney amendment refers entirely to excise taxes.

The Chair therefore sustains the point of order.

Mr. COOPER. Mr. Chairman, I rise in opposition to the Disney amendment.

Mr. Chairman, my attention was rather attracted by one appeal made by the gentleman from South Dakota [Mr. MUNDT]. We have been hearing a great deal here for the last few days about logrolling having been practiced some time in the past. This has been denied by many Members here, but it seems to me that he rose to the heights of great eloquence when he made the direct and positive appeal to certain Members of the House to join in the logrolling process by appealing to them to support one amendment for the support they would get for another amendment.

Now, with respect to the amendment offered by the gentleman from Oklahoma [Mr. DISNEY] I want to invite the attention of the Committee to certain facts and figures which I think are of great importance to a proper consideration of this amendment. The fact is that in the trade agreement negotiated by this country with Venezuela the excise tax on crude oil was reduced from one-half cent a gallon to one-fourth of a cent a gallon and a definite quota was fixed so that not more than 5 percent of the entire refined production, domestically, of this country the year before could be affected.

The gentleman from Oklahoma complains that after that quota is filled, then other oil may come in here. If it does, it will have to pay the full rate imposed by the excise tax.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield at that point?

Mr. COOPER. Yes.

Mr. ROBERTSON. And of the 5-percent quota, the competition comes from Venezuela, which is limited to 71.9 per-

cent of the 5 percent, on which there is one-fourth of a cent reduction.

Mr. COOPER. That is true. That 5 percent covers all these imports and Venezuela only gets 71 percent of the 5 percent.

I now want to invite attention to this phase of the matter. Let us for a moment consider what concessions this country receives under this trade agreement with Venezuela. The fact is that the great oil industry of this country has not been hurt by this small amount of reduction in the excise tax on imported oil, the greater part of which is used in asphalt for street-paving purposes, as shown by the hearings before our committee. Among the more important American products on which reductions in duty were obtained from Venezuela, where they reduced their duties on our products, are wheat flour, hog lard, fresh and canned fruits, cigarettes, lumber, furniture, and parts for agricultural machinery and implements.

They reduced their duties on all these American products going to that country. We talk about the interests of the farmers; there is where the farmer was directly and specifically benefited by a reduction of the duty in that country on these agricultural products that we send there. In addition to that, existing rates of duty were bound against increases on such American products as automobiles and accessories, tires and tubes, radio sets and other electrical apparatus, office equipment, paints, iron and steel products, and various food products, including prepared milk, oatmeal, and hams.

Now, we got decidedly the advantage or the better part of the bargain in this trade agreement that was negotiated with Venezuela and got benefits for these agricultural products of this country simply by this small treatment given to oil, and as I repeat, the oil industry has not been hurt by it.

I now want to invite attention to one other thing, if I may, and that is with respect to the statement made by the gentleman from Oklahoma [Mr. DISNEY] that it never was intended that these import-excise taxes should be dealt with. It so happens that I had the privilege of being a member of the Ways and Means Committee in 1934, when this matter was considered, and I know it was definitely understood and intended that these import-excise taxes would be considered and treated like any other import duties.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee may proceed for 5 additional minutes.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I shall have to object because the time is going to be limited and there are a lot of us who want to speak. I shall have to object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 30 minutes.

Mr. SCHAFER of Wisconsin. I object, Mr. Chairman, and call for the regular order.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 40 minutes.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 95, noes 75.

So the motion was agreed to.

Mr. BOREN. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I want to confine my brief remarks to the actual material effect that the failure to adopt this amendment can have under the present program against the oil industry.

It has been asserted here that the fact is that this system has not injured the oil industry. The fact is that this system can, and probably will, destroy all of the very small independent operators.

Fundamentally, there are two real reasons of policy why this amendment should be adopted. My colleague the gentleman from Oklahoma [Mr. DISNEY] has very ably pointed out how the transfer of this power to the oil-importing companies places in the hands of three oil importers complete control over all the independents and also the power to destroy, at any given period, all of the system that we have built up for oil conservation and the entire system, known as the Interstate Oil Compact.

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

Mr. BOREN. Yes.

Mr. DISNEY. To point out to the gentleman that this trade agreement was entered into and proclaimed for December 16, 1939, and that the January imports were 1,000,000 barrels over December, 20 percent higher than in December, and 40 percent above January 1939. So that it is not just an idle dream what these importers are starting to do to the independents.

Mr. BOREN. The gentleman is eminently correct. I shall confine my remarks to an analysis of what this power transfer could do to the oil industry. There are today 390,000 oil wells in the United States. Of that amount 268,500, approximately two-thirds, are stripper wells. This means that they are wells that are not operating by the flush system, wells that may be producing as little as 1 barrel a day. These wells are operated on a narrow margin, and when shut down even for a few hours, if not adequately and carefully handled, could be completely destroyed.

It is a fallacy to suppose that a barrel of oil imported means a barrel of oil conserved. There may be a well producing 10 barrels of oil a day that will go on producing that amount for 40 years. Thus the potential recovery from this one 10-barrel well is 146,000 barrels. If 100 barrels imported destroyed this one well by reducing the market below its profitable operation the well would be shut down and the recovery of this 146,000 barrels might be lost. Can you not see that we would be losing not just 100 barrels of oil market, but 146,000 barrels, and all the benefits to labor, security against depletion of reserves, and so forth, that this represents.

Remember that these stripper wells that approach the margin where diminishing returns threaten abandonments represent 18 percent of our oil reserves—18 percent of our total oil resources.

The power to destroy this marginal market; the power to destroy these oil reserves is too important to give away.

We must not destroy our oil compact and our conservation by this means.

We must not give to private capital, to a few great oil companies, this prerogative of Congress. This is not in harmony with the sound conception of the trade program. Shall Congress deny its power to take necessary legislative steps to meeting changing situations?

FIVE PERCENT IMPORTS

Five percent of our current market determines the fate of thousands of wells near the border line of profitable production. Five percent of our current domestic market determines the fate of about 18 percent of our total oil reserves.

Make no mistake—this is no small thing. Thousands of laborers, millions of dollars invested, depend for the future on this 5 percent we are carelessly giving away.

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

Mr. BOREN. Mr. Chairman, I ask unanimous consent for an additional 2 minutes.

Mr. COOPER. Mr. Chairman, I am sorry, but the time has been fixed, and I shall have to object.

Mr. BOREN. Then, Mr. Chairman, I ask unanimous consent for time outside the allotted time, to propound a question and to get a reply from the gentleman from Maryland [Mr. COLE], who is especially well informed on the problems of conservation and development of potential oil reserves.

Mr. DOUGHTON. Mr. Chairman, I shall have to object to that.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED] for 4 minutes.

Mr. REED of New York. Mr. Chairman, for 22 years I have heard Member after Member on both sides of the aisle rise and praise this body as the greatest legislative body in the world. I wonder what the American people and the world at large think of this legislative body as they watch the proceedings here with reference to this legislation. There was a time when this great body was a forum to which injured parties could come, a place to which the sovereign citizens, the real rulers of America, could come to voice their protest when they were threatened with danger from abroad or from within. Apparently that day has passed. I am standing here today to support the amendment of my colleague, the gentleman from Oklahoma [Mr. DISNEY]. I say to you that while I represent a small oil-producing section that they have a right to be heard. When this was a legislative forum for the sovereign citizens, they came before this Congress, before a committee of it, had a full and fair hearing, and the Congress and the committee decided whether or not they were being injured by imports. The result was after an open, full, and fair hearing that an excise tax on imported oil was put on by this so-called great legislative body. In fact, they came back again and presented their case, and this excise tax was again extended, because Congress was satisfied these people had been injured. They came back a third time and this Congress realized that those seeking an excise tax on oil had made a perfect case, and they came back again, and the tax was again extended. Then, suddenly, this great legislative body delegated its functions, its powers, to one man, and in a secret conclave, in which foreigners sat, whose legislative bodies of other countries had an opportunity to take action on the matters of their sovereign citizens, this excise tax, enacted four times by Congress, was reduced by one man, just as far as the law would let him go, in the interest of three great monopolies seeking to control the markets of the world and our domestic market. We ought to hang our heads in shame when we permit our businessmen to be crucified by one-man power, when we are sent here to speak for and to protect and defend the interest of our own sovereign people. I say to you that I am for the Disney amendment. The time has come for you new dealers to step up and take some interest in and concern for the injured parties in our own country.

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

Mr. REED of New York. I am not yielding, and it is about time that you new dealers stop yielding to the influence of foreign companies, foreign monopolies, and foreign cartels, and that we become Americanized as your friend Andrew Jackson once said we ought to become. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. BECKWORTH] is recognized for 3 minutes.

Mr. BECKWORTH. Mr. Chairman, I rise in support of the Disney amendment because I come from a district which is affected in a most pronounced way by excess oil. As a result of the lowering of the excise tax on crude oil from one-half to one-fourth cent per gallon through the effectuation of our trade agreement with Venezuela December 16, 1939, much serious concern is being manifested by many of the people in my district—those who derive their livelihoods directly or indirectly from the oil industry—and throughout the oil-producing vicinities.

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

Mr. BECKWORTH. I yield.

Mr. DISNEY. Are they not more concerned about Congress losing control of the excise tax than they are in the amount of the tax?

Mr. BECKWORTH. Allow me to preface my statements by saying that I do not wish to infer by this statement that I am attacking in general the principle of the trade agreements, because I must view the trade agreements as they affect the economic life of our entire Nation, and in a more local way as they affect agriculture and as they affect oil. In one sense of the word, I represent what might be termed an agricultural district, since a majority of the people of my district look to agricultural pursuits for their livelihoods. In another sense, however, I certainly represent an oil district of the first magnitude, since the greatest oil field in the world, the east Texas oil field, lies wholly within my district. Also the Van oil field is in my district.

The economic health of the oil industry is highly significant to my vicinity, because a vast number of people in our area look totally or partially to the oil industry for their living, to wit, laborers who work in the oil fields; farmers under whose land there is oil; farmers who market vegetables, dairy products, and other commodities daily in the oil fields; merchants and all types of businessmen who look almost wholly to the oil area for their chief source of business; producers of oil; and even those in adjacent and removed areas who have derived a good portion of their business from the great east Texas oil field. In the light of the previous facts, it is absolute folly and fiction to think of permitting to come to pass that which would definitely jeopardize the welfare of the many people not alone in this oil vicinity but in other vicinities in the Nation where oil is a significant industry.

Any person who is even passively familiar with the oil industry and the flow of petroleum is very much aware that the operators, leaseholders, and farmers, under whose land oil has been found in east Texas, have consistently been restrained greatly in the amount they can produce—all in the interest and welfare of the oil industry of the United States. In this connection I wish to say that east Texas has always borne more than her share of the brunt. The most cogent recent statistics which attest the accuracy of this assertion is the fact that we in the east Texas oil field have had some 115 shut-down days this past year—1939. This has been for a purpose. But the channels of influence have extended much further than to mere producers, leaseholders, and farmers, under whose land the oil is found. Attending the shut-downs, which, of course, mean lost production, has been the loss of employment by laboring men with families in conjunction with reductions in salaries sustained even by those who have managed to retain their positions.

I think I am safe in saying that no other section of the Nation is more aware of the actual effects of what is termed "excess oil," domestic or foreign, than east Texas. We have been haunted with this situation since oil was first discovered there. At first they—the people of east Texas—of course, thought they had a bonanza; soon, however, they found their bonanza had vanished when oil went to 10 cents per barrel and completely disrupted the entire oil industry. The 10-cent-per-barrel oil was the harbinger of proration, designed to stabilize the industry and to conserve this valuable natural resource.

We in east Texas have certainly done our part—yea, much more than our part—along these lines since the inception of the field. The allowable in east Texas per well per day is 20 barrels, but last year we had, as I have already pointed out, 115 shut-down days, which, of course, was most costly to all in our section. That these shut-downs, in conjunction with a 20-barrel per well per day allowable, have been overtly and greatly disadvantageous to many people in my vicinity and adjacent vicinities is a fact which cannot be disputed by any person who has first-hand or on-the-ground information. Therefore our concern is pronounced and vital, and we are positively opposed to any move which will or might further add to our detriment. Can it then be said, when we think of these facts, that additional oil of any degree coming into this country is irrelevant and immaterial?

It has been contended, as I understand, by the authorities of the State Department, that the amount of additional oil which will come into this country as a result of the trade agreement between the United States and Venezuela will be insignificant for the most part, since, as has been provided, the oil companies in Venezuela will be permitted to import an amount of oil equal to only 5 percent of that crude oil processed in American refineries the preceding year. Certainly there is a question as to the lack of importance of this 5 percent of oil which can come into this country at the reduced excise rate.

On a number of occasions I have talked to those authorities of the Government who are the propcnents of the Connally Hot Oil Act. Perhaps you are already aware that the only oil

field in the United States where the producers of oil are required to procure Federal tenders or permits to sell their oil interstate are the producers in east Texas.

Often I have inquired as to why producers in other proration States do not have to have Federal tenders to ship oil interstate, and I have been told that it is thought by controlling properly the production in east Texas the entire oil industry can be stabilized, since east Texas might be termed a gage of the entire industry insofar as production is concerned. Along this line I might add that east Texas does not produce anything like 50 percent of the oil in the Nation. It only produced about 12½ percent of the domestically produced oil in 1938, and in the first 11 months of 1939 it produced 11.4 percent of the domestically produced oil. I think it is considered by many as a gage to production in the Nation. If this is true, might it not also be contended that even a 5-percent concession might materially affect the industry? To say the least, I believe Congress should have the power to determine that amount of tax which is placed on oil coming into this country.

The very fact that the Congress in 1932 took the step of levying excise taxes on imported crude evidenced the fact that some degree of regulation concerning imports of foreign oil was desirable and needed. Now the fact that the excise taxes have been reenacted each 2 years since 1932 by the Congress is further proof that in the opinion of the Congress it has been and is necessary that imports of crude produced in foreign countries still need to be regulated. I should like to inquire what has happened of an extra-beneficial and advantageous nature to the oil industry that merits and warrants or will permit a relaxation of the rigidity of the regulations on imported crude. I know of no outstanding betterment of conditions which has characterized the industry since 1938, when Congress last asserted its approbation of the excise tax.

The fact is that only last year several major companies cut the price of crude because of purported excess, and as a result east Texas and many of the oil-producing sections discontinued production for several days that the price might be restored. This occurrence seems to indicate to me that perhaps the need for the continuance of the higher excise tax is even more pronounced now than ever. Certainly I am aware of no reason to the contrary.

Then, too, there seems to be a real doubt as to whether the people of Venezuela will actually benefit by the change in the tax. It has already been shown that some two or three major oil companies of this country control well over 90 percent of the Venezuelan oil industry. Thus, it is obvious that this outright concession to them will further handicap the independent companies of this Nation and lend a helping hand to those who might wish to further hamstring independents by the grip of monopoly.

It occurs to me that the basic question in connection with the excise taxes on oil as affected by the recent Venezuelan trade agreement is whether or not Congress meant to delegate to the State Department the right or prerogative of setting excise rates on oil or on any other commodity on which there are excise taxes. It must be conceded, if the Congress intended to release this right it heretofore possessed, it relinquished a great deal. I have talked with a number of those who were present during the period in which the right to consummate trade agreements was delegated to the State Department, and I must state that it is the conception of those to whom I talked that these excise taxes were to be frozen.

I think when this question shall have been rediscussed fully by all those who were familiar with the question, that this statement will be fully verified. No one will dare dispute the fact that if Congress meant to "freeze" the excise taxes, then the State Department has broken faith with the Congress, and not only has it broken faith with the Congress, but also with producers like those in east Texas who have cooperated by not running oil when such desisting apparently was necessary to stabilize the industry and to conserve. It occurs to me it is wholly and totally unfair to lighten the burden of major American oil companies producing oil in Venezuela when the burden of independents in east Texas and other home vicinities is so heavy. Certainly, at this session of Congress, the membership, in my opinion, should have a chance to definitely record itself as to its position relative to the levying of excise taxes that every industry affected or to be affected might know where it stands.

And may I say this, gentlemen: I do not pretend to be an expert, insofar as the oil industry is concerned. My only familiarity comes as a result of living right close to the East Texas oil fields, and I have had occasion to observe that which has transpired from time to time as a result of these shut-downs. As most of you know, the east Texas oil fields have long been considered the mecca for independent oil producers, and, since that is true, definitely the independent people are affected by allowing foreign oil to come into this country. I understand the Disney amendment will give Congress a chance to pass on the attitude in this connection, and I certainly desire that the Congress have this chance.

FURTHER STATEMENTS MADE IN REBUTTAL BEFORE WAYS AND MEANS COMMITTEE

Mr. B. Oh, they have great production. I don't know.

Mr. B. I don't know. When they came in they were gushers.

Mr. B. Oh, yes; most of them are flowing wells. I don't know the amount in barrels, but many of them were real gushers.

Mr. B. Practically that much.

Mr. B. It does have an effect, but that is all in an effort to conserve and stabilize the price.

Mr. B. It is my contention that the shut-down there in east Texas has reduced employment definitely.

Mr. B. The contention is that it is excess oil.

Mr. B. We think both come into the picture. No doubt that was thought back in 1932.

Mr. B. I pointed out this: That some of the governmental authorities with whom I talked relative to East Texas told me that might be the gage to production in this country. In other words, by controlling east Texas, they, in effect, stabilize the oil industry. My contention in the statement I just gave you is this: If that 12½ percent that east Texas produces, or that 11.4 percent that it produced in 1939, for the first 11 months, may be considered the gage, certainly it would not be stretching one's imagination to think that the 5-percent concession might also have a real effect on the oil industry.

Mr. B. Are they now affecting the oil industry?

Mr. B. Of course, they have some effect on the oil industry; I think there is no question of it. Imports have some effect on everything.

Mr. B. In our vicinity it certainly has had some effect, if the fellows I know and whom I have observed accurately know the situation.

Mr. B. Well, I would be happy to consider those.

Mr. B. I surely would. As Mr. BOREN here pointed out, oil, because of its peculiarity, so far as it is a resource, can be depleted in toto, which puts it in a little different category.

Mr. B. Yes.

Mr. B. No, sir; I do not.

Mr. B. I am not primarily interested. Of course, I am interested in vegetables, but I don't know much about them.

Mr. B. Frankly, I am not in a position to commit myself in that connection. I know little about the cheese situation. I would be happy to study that situation when it comes before the Congress, of course.

Mr. B. I do; and that is the real reason I have come before this committee and submitted this. About the east Texas oil people, I

perhaps know about as much as at least the average person, and I do know how it has been affected as a result of excess oil.

Mr. B. I appreciate that.

Mr. B. A mistake to this extent, perhaps, in my opinion—and this is only opinion—that I have not found any evidence where Congress meant to delegate that authority to the State Department, and, as I say, I talked to—not a lot of fellows, but some—who were familiar and on the ground when that was done, and I haven't yet talked to one who thought the excise authority was to be delegated. I haven't talked to all of them.

Mr. B. Well, I feel, of course, that the Congress should not be relegated to the status of not having anything to do with matters of that nature, but I don't mean to say by that that I concur in the opinion that the principle of the trade agreements has been bad. I consider the excise-tax proposition on oil to be a little different situation, and particularly because oil is a natural resource that can completely be depleted, perhaps, and besides, people in my district, as I pointed out, and in many of the oil districts, have already sacrificed a great deal in an effort to stabilize the oil industry. They have already paid a premium, in one sense of the word; they have already taken some penalties.

Mr. B. Yes, sir.

Mr. B. You have the right to find fault, and to voice such fault.

Mr. B. That is what I am doing here today.

Mr. B. I thank you.

Mr. B. It is not; not in that section.

The CHAIRMAN. The gentleman from Oregon [Mr. MOTT] is recognized for 3 minutes.

Mr. MOTT. Mr. Chairman, a few minutes ago my colleague the gentleman from Minnesota [Mr. KNUTSON] advised the Republicans that they should not support the Disney amendment. The reason he gave was that the amendment did not include all of the products that suffer from tariff reductions in these reciprocal trade agreement cuts. I do not think his argument is sound, and I trust Republicans will not follow the gentleman's advice. Republicans should support the Disney amendment, and I think they will.

The amendment offered by the gentleman from Oklahoma [Mr. DISNEY] is palpably fair. It includes all commodities which are protected by excise import duties, and it does not omit any of them. If the inclusion of commodities protected by other tariffs are not germane to this particular amendment, certainly that is not the fault of the gentleman from Oklahoma. And let me say to my Republican colleagues that this amendment includes not only oil. It includes coal, copper, and lumber.

Now, lumber is not only one of the most important industries in this country, but it is the one which was most drastically affected by the reduction of our import excise duties in the Canadian agreement and the agreement with the United Kingdom. The President took off two-thirds of the excise duty on lumber and reduced our total protection by one-half. Not satisfied with this, he abolished the Canadian import quota. He did not even stop there. He suspended the requirement of law that imported lumber must be marked, and he thereby practically ruined that industry. He will ruin the coal industry and the copper industry and every other industry if his authority to tamper with excise duties is not stopped.

We do not get the whole remedy by adopting this amendment, of course, but we do get a part of a remedy by making it impossible for the President to interfere with at least one class of taxes which this Congress has placed upon the statute books.

When we passed those excise taxes we never intended that the President should have jurisdiction to curtail or abolish them in making trade agreements. He usurped that power. The Congress never gave it to him. If we pass the Disney amendment we will at least prevent him from doing that in the future. Republicans and Democrats alike should support the Disney amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New Mexico [Mr. DEMPSEY] is recognized for 3 minutes.

Mr. DEMPSEY. Mr. Chairman, I rise in favor of the Disney amendment. It is a strange thing to me, this argument that the oil industry is not going to be affected adversely by permitting a reduction in these excise taxes, and that it is so necessary and important to the foreign country affected that it should be done. There has been much said about this great oil industry; well, this particular reduction in excise taxes affects only—and beneficially—the greatest oil companies in the world, to the detriment of the independent oil companies, the little fellows. That is exactly what it does. The gentleman from Massachusetts told you that the oil industry is now very prosperous because of higher prices and that at one time oil was selling at from 10 to 25 cents a barrel.

That is true, it was; but at the same time real estate was selling proportionately low. Every bond in the United States was selling low. It was necessary for the Federal Government to help home owners, to come in and buy mortgages, in order that they would not be foreclosed.

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

Mr. DEMPSEY. I yield.

Mr. DISNEY. I anticipate that something will be said by the gentleman of the committee in opposition to the amendment, that the broad "escape clause" is in this Venezuela agreement. This is the only opportunity I shall have to call the attention of the House to the fact that out of 22 agreements made not one escape clause has ever been invoked, not one.

Mr. DEMPSEY. That is true. And let me tell you that even though 5 percent may seem a small figure, yet the oil producers of Oklahoma, New Mexico, or Texas, cannot produce even 5 percent of their potential production. Many of their wells are producing as little as 1 percent by reason of a compact based on domestic consumption.

Before oil went to 10 cents and 25 cents a barrel in 1931 and 1932 it had been up as high as $1.20 and even $1.50 a barrel. The decision to cut the excise tax on oil 50 percent can only be attributed, in my estimation, to a lack of knowledge on the part of those charged with the responsibility of the protection of this great industry. If they had knowledge of the true conditions they would not advocate any such drastic cut. The oil industry today is sustained by the great number of independents, the little fellows, who, at the same time, are responsible for competition that holds the market price to the consumer down to a reasonable and proper level. The people who would benefit by a reduction in the excise tax are the large companies who are the principal exporters of oil from this country, because they also are the sole importers.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from California [Mr. BUCK], a member of the committee, is recognized for 3 minutes in opposition to the amendment.

Mr. BUCK. Mr. Chairman, I think it might be advisable in view of the arguments that have been made this afternoon to discuss the contention that the use in section 350 of the Tariff Act of 1930, as amended, of the words "existing duties" in connection with the modification authority given the President to modify such existing duties and other import restrictions of continuance of existing customs or excise treatment indicates that the Congress regarded import taxes as "excise treatment" and intended to instruct the authority of the President with regard to them to a guarantee of their continuance. In this connection, it is important to note that the term "duties and other import restrictions" is defined in subsection (c), section 350, to include, among other things, "exemptions other than duties imposed on importation."

Under date of October 19, 1939, the chief of staff of the Joint Committee on Internal Revenue Taxation, Mr. Colin F. Stam, wrote an opinion on this subject which I shall insert in full in the RECORD, following my remarks. In this opinion he stated that the words I have just quoted included import taxes and were intended to make it clear that if any doubt

were entertained as to such taxes being includible in the term "duties" in a strict sense they were nevertheless covered by the act. This construction, as I stated, would be in harmony with the purposes of the Trade Agreements Act. One should note that the several sections specifying rates of import duty provide that these taxes shall apply "without respect to the importation of such articles." Is not this a very important consideration, because any agreement decreasing the duty on any commodity could be nullified by the imposition of an internal excise tax?

I call the Committee's attention to the fact that in the Cuban agreement of 1934 we actually did reduce the excise tax on imported mahogany lumber; and thereafter, in 1936, when we extended these excise taxes in the Revenue Act of 1936, section 703, we wrote this in the law:

> Nothing in section 601 (c) (8) of the Revenue Act of 1932 as amended shall be construed as imposing a tax in contravention of an obligation undertaken in any trade agreement heretofore entered into under the authority of section 350 of the Tariff Act of 1930, as amended.

Thereby we set the precedent for the Ecuador agreement; thereby we set the precedent for the Venezuelan agreement; and those agreements have been entered into with the full authority and sanction of the Congress.

It will be stated by someone that in the report of the Ways and Means Committee on this resolution in 1934 there was included a sentence to the effect that the power of the President to reduce any duty was limited to those which are in effect customs duties. I should like to call the attention of the committee to the facts. The term "excise duties" is not commonly used to denote internal-revenue taxes. But the expression here used was used in the paragraph preceding the one just quoted in contradistinction with tariff duties. Furthermore, as was pointed out by the gentleman from Tennessee [Mr. COOPER], that on page 373 of the 1934 hearings Assistant Secretary Sayre in answer to a question by the chairman gave it as his opinion that the bill would apply to excise taxes on importing oil, copper, coal, and lumber.

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

Mr. BUCK. I yield.

Mr. COOPER. I was undertaking to point out their legality during my remarks, but my time expired. It was my privilege to be a member of the Committee on Ways and Means in 1934 when this legislation was originally drafted and enacted. I know that there was never at any time any doubt about these import excise taxes being treated and dealt with like other tariff import duties. The act itself specifically refers to excise taxes.

Now, I want further to invite the gentleman's attention to this statement in the hearing before the Ways and Means Committee in 1934. The chairman asked this question:

> Take an excise tax then, for illustration, that we know is imposed on importations, take the excise tax on oil, copper, and coal. In the present law would this apply to those taxes that are excise taxes but that are collected by the customs?

Dr. Sayre, who was representing the Department before the committee, answered:

> This would apply to all taxes imposed on importations.

Mr. BUCK. Why, of course. The conclusion must be drawn that the Ways and Means Committee understood the bill to apply to both.

It might be mentioned that the silence of Congress in extending the life of the resolution for 3 more years in 1937 without even commenting on this question, although there had been at least one reduction of an excise tax, might well be interpreted as amounting to approval. At any rate, that would seem to be the logical conclusion and the one which Mr. Stam was forced to reach. Consequently, speaking solely on the point of statutory construction, it seems to me that the gentleman from Oklahoma and others who have spoken on this subject have been entirely led astray as to what the intention of Congress was in connection with these so-called taxes on imported articles, which are in effect nothing but import duties.

I append hereto a copy of the opinion submitted by Mr. Stam.

STATUS OF IMPORT TAXES UNDER THE RECIPROCAL TRADE AGREEMENTS ACT

Inquiry has been made as to whether the act of June 12, 1934 (ch. 474, 48 Stat. 943), the so-called Reciprocal Trade Agreements Act, is applicable to the import taxes imposed by sections 2490 and 3420 of the Internal Revenue Code. These sections are derived from section 601 of the Revenue Act of 1932, as amended, and the articles involved are petroleum, coal, lumber, copper, and certain oils.

It appears that the notice of intention to negotiate a trade agreement with the Government of Chile, published by the Secretary of State under date of October 2, 1939, gives rise to the present inquiry and that special reference is had to the import tax on copper.

It is the opinion of this office that the import taxes mentioned are subject to the provisions of the Trade Agreements Act. This opinion is based on the language of the act, its legislative history, and certain subsequent legislation.

STATUTORY CONSTRUCTION

Section 3430 of the Internal Revenue Code provides that "the tax imposed by section 3420 shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930 * * * and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such act, except that * * *." One of the exceptions stated is that "for the purposes of section 336 of such act (the so-called flexible-tariff provision) such tax shall not be considered a duty." The similar results of the application of the flexible-tariff provision and of the Trade Agreements Act—an increase or decrease of rates of duty within limits of 50 percent—appears to be the basis for the contention that it was not the intent of Congress to subject the import taxes in question to the provisions of the act. Section 1 of the Trade Agreements Act adds a new section, No. 350, to the Tariff Act of 1930. That section provides, among other things, for the proclamation by the President of "such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreements, as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder."

It is contended that the use of the words "existing duties" in connection with the modification authority and of the words "excise treatment" in connection with the continuance authority indicates that the Congress regarded import taxes as "excise treatment" and intended to restrict the authority of the President with regard to them to a guarantee of their continuance. The term "duties and other import restrictions" is defined, however, in subsection (c) of section 350 to include, among other things, "exactions other than duties, imposed on importation." It is believed that these words include import taxes and were intended to make it clear that if any doubt were entertained of such taxes being includible in the term "duties," in a strict sense, they were nevertheless covered by the act. It is to be observed that the several sections specifying rates of import duty (I. R. C. 3422–3425, 2491) provide that these taxes shall apply "with respect to the importation of such articles." It may be concluded, then, that the excise treatment of which the President is authorized to proclaim the continuance is the internal-excise treatment. This construction appears to be in complete harmony with the purposes of the Trade Agreements Act inasmuch as the effect of an agreement decreasing the duty on any article could be nullified by the imposition of a compensating internal tax.

While it is true that the import taxes under the law existing at the time of the passage of the Trade Agreements Act were to expire on the following June 30, it is believed that had the Congress intended to except those taxes from the provisions of the act it would have written into it a specific provision to that effect. Had it been the intent of the Congress, moreover, to make such an exception, it could have repaired the omission on the several occasions when it passed legislation extending their effective period.

In this connection may be cited section 703 of the Revenue Act of 1936, which provides that "nothing in section 601 (c) (8) of the Revenue Act of 1932, as amended, shall be construed as imposing a tax in contravention of an obligation undertaken in any trade agreement heretofore entered into under the authority of section 350 of the Tariff Act of 1930, as amended * * *." Section 3501 of the Internal Revenue Code (derived from 403 (b) of the Sugar Act of 1937) further provides that the import compensating tax "shall be treated for the purpose of all provisions of law relating to the customs revenue as a duty imposed by such act, except that for the purposes of sections 336 and 350 of such act (the so-called flexible-tariff and trade-agreements provisions) such tax shall not be considered a duty or import restriction * * *."

LEGISLATIVE HISTORY

The legislative history of the Trade Agreements Act further corroborates the view that the act applies to import taxes. At the outset, it must be admitted that language found on page 15 of the Ways and Means Committee report is somewhat disconcerting to this view. The reference is to the final paragraph under the heading "Modern procedure," which reads as follows:

"In order that the necessary reciprocity may be accorded, the President is empowered to promise that existing excise duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are in fact customs duties."

The term "excise duties" is admittedly not commonly used in the United States to denote internal taxes, and it might be taken to mean taxes which, while not imposed under the tariff act, are predominately of the nature of tariff duties. The expression is used, however, in the paragraph preceding the one just quoted in contradistinction with "tariff duties" and with "import duties." The words "excise duties," however, appear frequently in the published hearings before the Ways and Means Committee on the bill in context indicating their meaning to be internal taxes. At page 373 of the hearings, the chairman asks the witness, Mr. Sayre, whether the bill would apply to the taxes on oil, copper, and coal. The reply was that it would apply to all taxes imposed on importation.

The conclusion may be drawn, therefore, that the Ways and Means Committee understood the bill to apply to the import taxes.

The question, however, came before the Senate on June 4, 1934, when the bill was under debate in that body. Senator HARRISON introduced an amendment specifically excluding the import taxes from the definition of "duties and other import restrictions." He stated that his purpose in introducing the amendment was to remove any doubt as to what the intention of the Congress was with regard to these items. At the request of Senator ASHURST, Senator HARRISON withdrew the amendment. Senator ASHURST's objection to the amendment was that it would preclude the President from raising the tariff on copper. Senator Long, however, immediately reintroduced the amendment, and on a roll-call vote it was defeated.

It may also be mentioned that administrative opinion from the beginning has been that the import taxes in question are subject to the provisions of the Trade Agreements Act. The silence of Congress may be interpreted, it is believed, as amounting to approval.

For the reasons above stated, it is the view of the writer that the contention that the Trade Agreements Act does not apply to import taxes cannot be maintained.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Ohio [Mr. LEWIS] is recognized for 3 minutes.

Mr. LEWIS of Ohio. Mr. Chairman, I dislike very much the writing of a piecemeal tariff law. I call your attention to the fact—you gentlemen sitting on the right of the aisle—that every argument that you are using in favor of spot protection of the oil industry, or any other industry that is favored, is exactly as valid when applied to every product of American industry, American labor, or American agriculture, every one of them. But I realize that the opposition here is too strong for us who are in favor of protecting all American industries and agriculture, so I am perfectly willing to support the Disney amendment.

Those of you who have coal in your districts and who believe in spot protection of your industries, I call your attention to the fact that you cannot do anything better to protect the coal industry of America than to vote for the Disney amendment. It is fuel oil imported under the Venezuelan trade agreement that is driving a dagger into the heart of the coal-mining industry, taking the markets for millions of tons of coal annually and shutting down our coal mines throughout the country and throwing thousands of coal miners out of work.

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

Mr. LEWIS of Ohio. I yield.

Mr. DISNEY. If the contention made just now by the gentleman from California [Mr. BUCK] and the gentleman from Tennessee [Mr. COOPER] about these excise taxes and the intent of Congress is correct, what on earth was Senator HARRISON talking about in his debate on the Senate side when he mentioned these four excise taxes as being bound and they were not doing anything about the excise taxes?

Mr. LEWIS of Ohio. Of course, the gentleman's statement is absolutely correct, and the argument of the gentlemen [Mr. BUCK and Mr. COOPER] makes Senator HARRISON's argument absolutely futile and meaningless. I trust the Disney amendment will be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I am a strong believer in and supporter of the Reciprocal Trade Agreements Act, and I yield to no man in my admiration of Secretary Hull and his accomplishments, but to me this amendment is neither a political nor a partisan matter. The Reciprocal Trade Act is sound. There have been some inequities and injustices in dealing with some commodities, but these will be ironed out in time. We should extend this law and not return to the old logrolling tariff days. I expect to vote for the bill.

I remember very distinctly that in 1932, when the Democrats took charge of this House, the first import excise tax law, as I recall it, was passed, which placed a 4-cent import excise tax on copper, $2.24 a ton on coal, $3 a thousand on lumber and a half cent per gallon on petroleum. That bill was reported out by a Democratic Ways and Means Committee. That act has twice been extended by this Democratic House and a Democratic Senate. It has been signed by a Democratic President. This matter resolves itself into a question of consistency, good faith, and reliance, so that these particular industries may know on what they can depend. You have heard a great deal about the oil situation. I have very large oil development in my district. I have many of the biggest independent oil producers in the country residing in my district, and I know that every time any substantial amount of oil is imported into this country it necessarily means a reduction in our proration. The oil situation has been fully discussed by previous speakers, and I concur in their views. But there is another commodity that I want to see treated fairly, and that is copper. The gentlemen from Arizona and New Mexico referred to the situation. I happen to have in my home city of El Paso one of the largest copper refineries in the country, and only last fall, when there was a proposal to reduce the excise tax on copper in the Chilean agreement, it threw a scare and fright into the industry in my section that depressed the local market for weeks and months. It stopped improvements and expansion of plants and also increased unemployment. Senator HAYDEN, than whom there is no finer Democrat or friend of this administration, together with others of us opposed that agreement, and the proposal was abandoned. He referred to the question of the intent of Congress in passing the excise-tax law, to which reference has been so ably made by the gentleman from Oklahoma [Mr. DISNEY]. If 4 cents is too much excise tax on copper, why, reduce it. If it is not enough, increase it; but that amount has been found to be fair and just. But let us fix it at something that is certain and dependable, and when it is fixed the industry will know on what it can depend. Let the Ways and Means Committee have hearings and then agree on a fair tax and freeze it. To me it is most inconsistent to pass an excise-tax law fixing an excise tax on these commodities and then come along with this reciprocity program and cut that tax in half. It is neither consistent nor fair. It keeps the oil and copper people in a turmoil. I am not for high protective tariffs. But this Democratic administration has three times approved the levying of import excise taxes and fixed what we believed to be a fair and just tax on these imports. We should in good faith live up to that law or, if it is wrong, repeal or amend it. What I plead for is certainty. If this lawmaking body fixes an excise tax, not a protective tariff, that tax should not be reduced because concessions must be made in order to effectuate an agreement.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. CARLSON. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kansas.

Mr. CARLSON. May I call the attention of the Members of the House to a report issued by the chairman of this committee on March 17, 1934, in which he used the following statement:

It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty.

Mr. HOPE. Mr. Chairman, I want to address my remarks to the Republican members of this Committee, and I am moved to do that because of a statement which the gentleman from Massachusetts [Mr. MCCORMACK] made in the course of his remarks, in which he stated that 70 Republicans voted against the imposition of these excise taxes back in 1932. That is true. The vote at that time shattered one of the great illusions of my life, because until then I thought the Republican Party stood for protection, but I had my doubts

after 70 Republicans voted against those excise taxes. I believe the Republican Party does stand for protection and we have a chance today to at least afford protection in a limited degree to these four commodities which are covered by these excise taxes. So I urge that every Republican today be consistent in his attitude toward protection and vote to enable us to maintain the protection which these excise taxes give to four essential industries. A case has been made for these excise taxes else they would not have been imposed in the first place. These taxes have not only been approved by Congress but have been renewed after experience and further consideration. So I hope today the party which traditionally stands for protection will vote 100 percent in support of the Disney amendment which protects these excise taxes. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Chairman, undoubtedly the confusion over the question of whether or not these four excise taxes are import duties or not arose out of the fact that in 1937 and again in 1939 they were lumped under the general program brought in by the Ways and Means Committee to continue the general excise taxes imposed for revenue purposes, in which taxes as a tariff were never discussed and given but scant consideration. The only debate and the only separate vote on these four taxes alone occurred in connection with their original adoption in 1932 but, as has been pointed out by the gentleman from Massachusetts [Mr. MCCORMACK], the customs court has ruled, and as pointed out later by the gentleman from Tennessee [Mr. COOPER], Mr. Sayre made it clear in his discussion, that we were considering a tariff matter in these excise taxes. From the standpoint of policy, the gentleman from Massachusetts [Mr. MCCORMACK] has called your attention to the fact that last year was the largest in 12 years for the oil industry of this country. The refineries were working overtime. We put the current reports of the price of gasoline and the production of gasoline into the report to show the booming condition of the oil industry.

I have studied carefully the ecnomics of this situation as it affects the oil industry and the oil consumer. Some of my materials dealing with this subject were brought to the attention of the Committee on Ways and Means and will be found on pages 863 and 875 of the printed report of the hearings on this resolution.

There has not been a word said yet from the standpoint of the consumer. The gentleman from Oklahoma said there are 21 States involved. The Western States are not involved at all in this matter, only the mid-continental States, and there only the independent operators have a fight against two big corporations which they claim get some competitive advantage over them through getting oil from their own wells in Venezuela. Ordinarily I would sympathize with the independent producer, but from the standpoint of the consumer, do not forget, first, your highway construction. Your principal source of the best asphalt is Venezuela. To wipe out this small reduction in the tax would mean the addition of $8 a ton for asphalt to the cost of your State highway construction. There the consumer is involved.

There is a limited, very limited, production of asphalt oil in this country, and we have to supplement it with supplies from Venezuela.

I have been submitted figures which show that the State of New York, in road work, uses approximately 20,000,000 barrels of this type of road oil; Virginia, about 30,000,000; North Carolina, about 20,000,000; Pennsylvania, about 25,000,000; Georgia, about 10,000,000; Florida, about 10,000,000; and so forth. That is, per annum.

When the gentleman from Florida [Mr. CALDWELL] introduced his bill to authorize the refund to the States of the tax levied or paid to the Federal Government under the act of 1932, on this importation of road oil, the highway commissioner of Florida stated that the tax was costing Florida thirty to forty thousand dollars a year; Virginia, about $75,000 a year; and, of course, the large States like New York and Pennsylvania much more than that.

The State highway departments have a definite stake in the cost of oil to be used in asphalt and in oil-treated roads.

The State Department has received letters from many highway departments of States since this agreement was proclaimed commending it from that standpoint.

And I am sure you realize that it is generally considered now that an asphalt surface, even on a concrete road, is the best type of traction and driving surface that you can have on a highway. It is also true that is the present treatment for the construction of farm-to-market roads, the cheap type of road, carrying a moderate amount of traffic, which is made of sand and asphalt oil mixed as a road surface. The farm-to-market fellow has a stake in what that type of road surface material will cost him, has he not?

It is also true that many people are now heating their homes with fuel oil. And that again is a type of oil that comes from Venezuela. These people have a stake in what is to be done about the tax on oil.

We must consider the consumer of fuel oil. We put in the record definite facts to establish that you cannot get nearly the percentage of gasoline from the Venezuelan oil that you can get from our American oil, and therefore that oil is used for road purposes, asphalt, and for fuel oil for home consumption. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Chairman, I am glad to support the amendment offered by the gentleman from Oklahoma [Mr. DISNEY]. It is designed to prevent reductions in the excise taxes on lumber, petroleum, coal, and copper. These excise taxes have an interesting historical background, particularly the lumber tax.

In 1930 the Republicans enacted the Hawley-Smoot tariff law and, following the pattern of the Fordney-McCumber Act of 1922, left lumber and shingles on the duty-free list, with no quota or limitation of imports, so that Canada was free to flood our markets. This was all the more amazing in view of the fact that the chairman of the Ways and Means Committee who wrote the law was the Honorable Willis C. Hawley, of Oregon, a State so vitally interested in the lumber and shingle industry. At this point it will be interesting to insert a quotation from a letter, dated August 23, 1929, addressed to me as mayor of my home city from the lumber-industry tariff committee, Hon. Roland H. Hartley, Governor of Washington, and the heads of the 10 leading lumber and shingle firms in our State, including Hon. Frank H. Lamb, North Western Lumber Co., of my home city:

> You no doubt know of many western mill failures which have been caused by existing discriminatory tariffs that favor foreign lumber production over American lumber production, and which give preference to foreign- and oriental-labor movement over American labor in the production of lumbering products for American markets.
>
> These unjust conditions will force more failures in the future than they have in the past, and they are the conditions against which western lumbering interests and their labor are fighting. Lumbering interests are asking for tariff protection to increase American labor employment, to better western business, and to save western American lumbering operations from destruction.
>
> This question is of vital import to every citizen of the West. All should assist in securing these tariffs that are necessary to insure western progress and prosperity, and if you will give this question your official consideration and then send your communication, favoring the requested tariffs, to your Senators and Representatives in Congress, they can use your communication to much advantage.
>
> Your assistance is needed to save the withdrawal of properties from the assessment rolls and the increase of taxes on remaining properties. We are hopeful you will give this matter your prompt and favorable attention. Tariff revision is now being considered by Congress.

Strange as it seems, the plea to our Republican administration again went unheeded and absolutely nothing was done to protect our lumber and shingle industries.

I quote from a speech delivered May 20, 1932—see CONGRESSIONAL RECORD, page 11162—by the late Honorable Wesley L. Jones, United States Senator from the State of Washington:

> It is estimated that there are one hundred and twenty-five or more thousand laborers employed in the lumber industry. It is

generally conceded that at this time at least 100,000 of those laborers are idle. Probably taking northern Idaho, western Washington, and Oregon there is a greater number even than that absolutely idle. They have no means of support; they have no labor, aside from the labor furnished by the lumber industry.

That industry is practically idle. As I have said, out of 125,000 laboring men it is conservatively estimated that there are less than 25,000 employed, and they are employed only 2 or 3 days out of the week.

The condition of those people can only be imagined. The condition of the localities which are dependent upon that industry can only be imagined. Towns are deserted, cities are without activity. The condition, of course, can be duplicated to a certain extent all over this country of ours, but I do not know of any similar section of the country where those engaged in a particular occupation make up the great mass of the population. The source of prosperity and of happiness to those people and to the communities they inhabit is the lumber industry.

That year the Democrats, having gained control of the House of Representatives in 1931 and having a working majority in the Senate, the excise tax was secured on lumber, petroleum, coal, and copper by a coalition of Senators from the West and South, the excise tax amounting to $3 on lumber.

However, the beneficial effect of the excise tax was completely nullified by the depreciation in foreign currencies, and President Hoover refused to do anything to remedy this condition.

Following the 1932 elections I came to Washington, D. C., early in 1933. I attended the hearings before the Ways and Means Committee January 27, 1933, and there heard State Senator Kathryn E. Malstrom, of Tacoma, Wash., representing the Governor and Legislature of the State of Washington, give the following testimony:

Gentlemen, I am here in the name of my State to add my evidence to the tremendous exhibit that we all at this moment visualize. This day presents to you the most urgent emergency in our economic history. Unemployment has steadily increased, purchasing power has steadily declined, financial institutions have rapidly succumbed to an inevitable failure. I am pleading with you in the name of my country and my State to do something constructive and to do it quickly.

Conditions in Washington have continued to decline since the hearing last spring. A telegram from the Port Angeles Chamber of Commerce, in Clallam County, tells me since I arrived of the failure of the oldest financial institution in that county, and it goes on to say that had Congress enacted protective legislation before that time that institution might have been saved.

This message is important because it is typical of so many other communications. In my State mills are silent, fisheries are in a precarious way, farming in peril, mining no longer an activity, business virtually at a standstill, while thousands of men and women daily appear before charity and indigent-relief depots for bare subsistence rations. Counties and municipalities are bled white in trying to cope with the tremendous problem of relief, while those responsible for the conduct of government are unable to foresee a way out of the problems when more money is needed while tax revenues are more and more depleted.

* * * The 122,000 unemployed Americans in Washington State, the 12,000,000 unemployed Americans in the United States, are pleading with you to pass legislation immediately correcting the blight caused by foreign competition under depreciated-currency conditions.

The picture presented by Senator Malstrom was not overdrawn and depicted conditions as they existed in the State of Washington and in my district in January 1933, 2 months before President Roosevelt and our Democratic administration took office. President Roosevelt and Congress, by taking the United States off the gold standard and devaluating the gold dollar and establishing the currency stabilization fund, protected our industries from depreciated foreign currency and the beneficial effect of the excise tax on lumber was restored.

As a result of the Hawley-Smoot tariff law of 1930, levying exorbitant duties on the manufactured goods of the East, retaliatory preferential tariffs were imposed against us by Great Britain and within the United Kingdom, adversely affecting our export lumber trade.

In 1934 we enacted the Reciprocal Trade Agreements Act, and in the State of Washington it was favored by the industries, labor, and the press; in fact, there was no opposition manifested from any quarter. It was anticipated that thereby some modification and reduction in the retaliatory preferential tariffs in the interests of our export trade could be obtained. Some concessions have been secured. Mr. Wilson Compton, general secretary and manager, National Lumber Manufacturers Association, testified before the Ways and Means Committee January 31, 1940: "It has helped. I do not want you to be in any doubt that the concessions, so far as they have gone, with Great Britain, have helped."

However, in view of the fact that our excise tax was cut in half under a reciprocal-trade agreement with Canada, making it possible for Canada to dispose of her lumber upon more favorable terms within the United States, we are not satisfied with the concession granted our product within the United Kingdom and the British Empire, as their preferential tariffs still prevail against us to a large extent. For that reason we do not want any further concessions granted, so far as our excise tax is concerned, at least not until we are permitted to trade within the United Kingdom and the British Empire upon a reciprocal basis. The most effective way to insure that is to adopt the Disney amendment, which will preclude further reductions in the excise taxes.

In the State of Washington we have gone a long way from the terrible conditions depicted by the late Senator Wesley L. Jones, State Senator Kathryn E. Malstrom, and Gov. Roland H. Hartley in 1929–1933, but we are determined in 1940 to continue our progressive march forward in the lumber, shingle, and pulp and paper industries. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DOUGHTON] for 4 minutes, the remainder of the time.

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the Disney amendment.

I should like to know what there is sacred about excise taxes that they must be placed in a separate category.

Mr. DISNEY rose.

Mr. DOUGHTON. The gentleman has used about all the time now. I cannot yield.

I leave it to the intelligence of this House whether there is anything sacred about excise taxes that they should be separated and be placed in a category different from other taxes. The oil industry seems to be terribly disturbed about the trade agreement negotiated with Venezuela, but in the hearings before our committee their representatives made no claim whatever that they had been injured. They expressed the fear that they might be injured on account of something that might take place in the future. In other words, they said we had tied the hands of the Government so the Government would be helpless to do anything to protect the oil industry.

That is exactly where the gentleman is wrong. The hands of the Government are not tied, and neither are the hands of the President or the State Department, who negotiate these trade agreements, because we have to protect the oil industry or any other industry that may be threatened or injured, and so we have put in the agreement a broad escape clause, which the Secretary of State has pointed out and emphasized over and over again he will invoke to protect any American industry when he sees injury to it.

If we have any confidence in the judgment and the integrity of our Secretary of State we are bound to confess that the oil industry or any other American industry is well safeguarded because, after all, the administration of the law is placed in his hands and he has the safeguard that if any American industry can show injury or serious danger of injury he can invoke this escape clause and protect that industry. He has written me a letter, which I do not have time to read but which I shall insert in my remarks if I am permitted to do so, in which he reiterates and emphasizes that point. What more can anyone ask? It is fear, fear all the time, but no evidence was offered before our committee of any injury to the oil industry.

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

Mr. DOUGHTON. I am sorry, I do not have time to yield. I have great respect for my friend from Oklahoma. He is an honorable and a useful member of our Committee on Ways and Means.

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

Mr. DOUGHTON. I am sorry, I do not have time to yield. The gentleman can make his speech in his own time.

Mr. CROWTHER. We did not reserve any time, particularly.

Mr. DOUGHTON. The gentleman will have time later. He can talk on some other amendment, which I have no doubt the gentleman will do. He usually does.

It was clearly shown before our committee, and the fact is that no industry was seriously injured. No witness testified of injury. The witnesses were all the time expressing fear, fear, fear.

They try to bind us by what they say Senator HARRISON said over in the Senate. As a matter of fact, Mr. Sayre, when he was asked in the Senate in 1937 the specific question whether or not these taxes on oil, copper, coal, and lumber could be reduced, did not try to deceive anyone. He said that these taxes "are, under the language of section 601, treated as import taxes, so that they could be frozen or they could be reduced."

There is no ground whatever for our friends coming into this hall now, before this intelligent audience, and claiming that they have not been fairly treated and that these four great industries are sacred, that they should not be touched, and that protection should be thrown around them which is not accorded to any other industry in this country.

Mr. Chairman, I would hesitate a long time before I would come before the Congress and the American people and ask with respect to any industry, although it might be the chief industry of my own State, that it be singled out and given preferential treatment over all the other industries of this country, whether agricultural, industrial, or what not. [Applause.]

Mr. Chairman, I hope the Disney amendment will be voted down by an overwhelming majority. [Applause.]

[Here the gavel fell.]

Mr. CROWTHER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CROWTHER moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. WARREN. Mr. Chairman, a point of order.

The CHAIRMAN (Mr. WOODRUM of Virginia). The gentleman will state it.

Mr. WARREN. Mr. Chairman, I hope that the present occupant of the chair, with the long experience he has had in presiding over the Committee of the Whole, will now come to the conclusion that the motion offered by the gentleman from New York is out of order.

The motion for the Committee to rise and strike out the enacting clause is one of the highest preferential motions that can be offered in this body. We have seen the time fixed for the closing of the debate on this particular amendment. The gentleman from New York [Mr. CROWTHER] had full opportunity to get recognition, or to ask for recognition, within the time fixed by the Committee itself for closing debate. In 9 cases out of 10, when this motion is offered, it is done for a frivolous purpose, and such a high motion, privileged as it is, should not be offered for this purpose; and I hope the Chair, of his own accord, will rule it out of order.

Mr. AUGUST H. ANDRESEN. Regular order, Mr. Chairman.

The CHAIRMAN. The regular order is being carried out. The gentleman from North Carolina is making a point of order.

Mr. AUGUST H. ANDRESEN. The gentleman took his 5 minutes and made his speech.

The CHAIRMAN. The Chair appreciates the fundamental proposition involved in the point of order raised by the gentleman from North Carolina [Mr. WARREN]. Undoubtedly, under a strict construction of the rules of the House, the motion that the Committee rise and report the bill back to the House with the recommendation that the enacting clause be stricken out is a motion of high order and should not be resorted to as a frivolous motion. The Chair, however, cannot blot out of his memory 17 years of service in the House in which, almost without exception, so far as the Chair knows, Members of both parties on both sides of the aisle have resorted to the motion when, because of a limitation of debate, they were unable to get time. In the particular instance the gentleman from New York [Mr. CROWTHER], the ranking minority member on the committee, who is opposed to the bill, sought to get time and the Chair had committed himself and the debate was limited. The Chair certainly does not think this would be an appropriate time to depart from the universal custom of the House, and the Chair, therefore, overrules the point of order and recognizes the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, I am sorry that even an intimation should be made that I would offer this motion for a frivolous purpose and with no intention of being serious in the matter. I was never more serious in my life. I feel very deeply about the statement made by my chairman in the past few moments in which he said to the gentleman from Oklahoma [Mr. DISNEY]:

How come that these excise taxes are especially sacred or sacrosanct at this time?

There is no use continuing the argument as to whether or not these excise taxes are tariffs or taxes. That was gone into, and gone into very thoroughly, in the 1932 Revenue Act when they were adopted, and it is just shadow boxing to keep up this argument as to whether they are tariffs or taxes. They apply to the importations of the several commodities that they take care of and that distinctly defines them as tariffs. I supported them, I voted for them, and I commend my Democratic brethren for adopting in some small degree the policy of protective tariff and taking care of these commodities, even if they did it in a sort of hypocritical manner by inserting them as excise taxes in a revenue bill [laughter], but I was for them, because I am wedded to the policy of protective tariff.

My good Chairman, and I hold no greater respect for any Member in the House, past, present, or to be, than I do for my Chairman [applause], when he wanted to know what there was sacred about these excise taxes that they should not be reduced, I thought, too, that perhaps they were not sacred, but I always considered that the word of my Chairman was sacred, that his integrity was not to be questioned, and then I read this statement in a report that was submitted by him. I quote:

Particular notice should be taken, moreover, of the fact that the President may seek from other countries promises that their excise duties shall not be such as to nullify the results of their promises to modify their tariff duties. This is the fruit of bitter experience on the part of the exporters of American goods. One of the chief protective measures which the President will desire to take will consist of pledging other countries not to increase their excise duties at the same time that they are reducing their import duties.

And the majority under his leadership finished that section of the majority report with this sentence:

In order that the necessary reciprocity may be accorded, the President is empowered to promise that existing excise duties which affect imported goods will not be increased during the term of any particular agreement. It should be carefully noted, however, that the President is given no right to reduce or increase any excise duty. His power of reduction of duties is limited to those which are, in fact, customs duties.

I stand by the statement made by my Chairman, in the report that he made at the time.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. CROWTHER. Mr. Chairman, I withdraw the pro forma amendment.

Mr. COOPER. Mr. Chairman, I object to it being withdrawn.

Mr. McCORMACK. Mr. Chairman, this presents the clear-cut issue as to whether or not the pending resolution to extend the existing law shall be adopted by the House. In a sense, I am glad that my friend from New York [Mr.

CROWTHER] made his motion. We have an opportunity to show the country by our vote, our support of a program that 85 percent of the people of the country are in support of. This is not a program supported by Democrats alone. The Republicans of the country, as I said the other day, and the leadership of the Republican Party outside of the leadership of this House, are in support of this program. Great outstanding Republicans have so stated publicly, while the hearings were going on before the Ways and Means Committee, that they favored the extension of the trade-agreements law.

I admire my friend from New York [Mr. CROWTHER]. We all do. What I like about him, in addition to my personal respect and friendship for him, is the fact that he is intellectually honest. We all make mistakes, and we all may misinterpret something, but a man can do so and yet be intellectually honest, and the intellectual honesty of my friend from New York was displayed a moment ago when he said that we are "just shadow boxing when we keep up the argument that these are excise taxes and that other duties are tariffs." That is the intellectual honesty of the gentleman from New York, and those on my side and those on the Republican side who are viewing this from a broad and popular angle, agree with him. We should no longer be misled by the claim that this is an excise tax on these four duties. It is a duty no matter by what name it may be called. The courts have said so, and you and I know for all practical purposes that the statement made by the gentleman from New York, that this is a duty and not an excise tax, so far as results are concerned, is correct.

Therefore, the argument of my distinguished friend from Oklahoma [Mr. DISNEY] falls by the wayside, and we face his motion as it should be faced. That is, his motion is an attempt to freeze tariff duties on imports into this country on the articles mentioned in the amendment. If we do it in the case of oil, if we do it in the case of lumber, if we do it in the case of coal, if we do it in the case of copper, why should we not do it on gloves, and why should we not do it on any other item that is already subject to the Hawley-Smoot Act? If the precedent is established for this, for us on the Democratic side and those who favor the bill on the other side, why should it stop there? This amendment is a deadly attack on the program enunciated and put into operation during this emergency by the Democratic Party under the leadership of Franklin D. Roosevelt, and I hope the amendment will be defeated. [Applause on the Democratic side.]

The CHAIRMAN. The question is on the motion of the gentleman from New York that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The question was taken; and on a division (demanded by Mr. COOPER) there were—ayes 87, noes 130.

So the motion was rejected.

The CHAIRMAN. The question now recurs upon the amendment offered by the gentleman from Oklahoma [Mr. DISNEY].

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 108, noes 140.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed Mr. DOUGHTON and Mr. DISNEY to act as tellers.

The Committee again divided; and the tellers reported—ayes 155, noes 164.

So the amendment was rejected.

Mr. CROWTHER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CROWTHER: In line 8, before the period, insert a colon and the following: "*Provided*, That no such foreign trade agreement concluded after the date of the enactment of this joint resolution shall take effect until it shall have been approved by the Congress by law."

Mr. CROWTHER. Mr. Chairman, I do not know of any reason why these amendments ought not to be submitted to the Congress of the United States for ratification or rejection. Over a long period, beginning in the early nineties in the Dingley bill of 1897, in the Underwood-Simmons bill of 1913, in the Collier bill of 1932 which was vetoed by President Hoover but was passed by both Houses, and in many of the other Democratic and Republican tariff bills, provisions were made for trade agreements and trade treaties; but in the Democratic tariff bills as well as in the Republican tariff bills, in connection with the provisions that were made for entering into reciprocal agreements, there was always the proviso that demanded that they be presented to the House and to the Senate for ratification or rejection. Apparently that was the one line of thought in the minds of members of both parties, that if these agreements were entered into they should be ratified or rejected by the Congress.

On one or two occasions ratification was limited to the Senate, but in nearly all instances they were presumed to be ratified by the Congress of the United States. I cannot see any objection to that. It has been urged that such procedure would delay matters. I do not think that holds good. The Brazilian treaty was held up for 11 months awaiting ratification by the legislative body of that country. Strange as it may seem, while the Congress of the United States is not permitted to pass upon them, they require ratification by nearly all of the other countries with whom we enter into these trade agreements.

The Brazilian treaty was held up, as I said before, for 11 months, while we, perhaps, could have been through with it in much less than 11 months. The Colombian and Costa Rican treaties were held up for 8 months; the Nicaraguan treaty for six and a half months; the Finnish treaty for five and a half months. There seems to be no objection to delay on the part of the other country, but the reason they cannot be submitted to Congress is an objection that there would be delay here.

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

Mr. CROWTHER. Yes; I yield.

Mr. COCHRAN. The gentleman has certainly heard of some logrolling in Congress?

Mr. CROWTHER. Oh, I am not afraid of logrolling.

Mr. COCHRAN. Well, I am.

Mr. CROWTHER. I am not afraid of it. I served with 15 members of the majority on the Ways and Means Committee when the Hawley-Smooth bill was written, and I will take my oath as to the integrity of every one of those members, and that they were not influenced by logrolling of any description. [Applause.] I will take my position against the imputation made by the Secretary of State against Members of the Senate when he was asked the question during the hearings if he did not think it would be a good idea, and if it was not proper to have these agreements ratified by the Senate. If I remember correctly his words—and I will change them if I am wrong—he said, "Not as long as every dark place in the Capitol is frequented by lobbyists." I do not believe there is a Member of the United States Senate who is afraid of or in the least disturbed by either the threats or cajolery of so-called lobbyists. [Applause.]

Mr. COCHRAN. Will the gentleman yield?

Mr. CROWTHER. No; I cannot yield further.

Mr. COCHRAN. Let the RECORD of the Senate and its votes speak for itself.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CROWTHER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes; I yield.

Mr. WOODRUFF of Michigan. The gentleman from Missouri [Mr. COCHRAN] ought to recognize the fact that at least in the old so-called logrolling days the American people knew who the men were who were considering this question, and they did not have to depend upon mere guesswork about it.

Mr. CROWTHER. I think the gentleman is right.

Let me read, in closing, the language which Secretary Hull as a Senator used in connection with his opposition at that time to Executive tariff making—and that is what we have now, Executive tariff making. This is what he said at that time:

I believe that the sober second thought of the American people will repudiate this unprecedented and unusual and highly unjustifiable arrogation of power and authority to the President.

What a lapse of memory our distinguished Secretary of State has suffered. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from New York [Mr. CROWTHER].

Of course, the purpose and effect of the gentleman's amendment would be to completely kill the trade agreements. They would be of no effect and of no benefit whatever if the gentleman's amendment should be adopted.

If we must have congressional ratification of these agreements the Congress could not ratify them without proper study. We would not stultify ourselves by passing upon an agreement or upon a question as important as this until we had made a thorough and careful investigation.

Now, suppose the State Department or the President negotiates these agreements and spends months and months negotiating with other governments, and they come to an accord or agreement with the other country. Now, suppose after the State Department and those who negotiate these agreements had to submit them to the Congress of the United States, what must the Congress do? Of course, the Congress must be in session. These agreements might be concluded immediately after Congress adjourns, or when the Congress is not in session. Of course, then they would have to wait until the Congress would meet or the President will have to call Congress in extraordinary session before any action whatever by the Congress can be taken. Then the Congress meets, whether it is in session at the time or whether it is called in extraordinary session, and then the Ways and Means Committee must begin a careful and thorough study of the question and must conduct hearings and give a hearing to every individual and to every interest.

Judged by past experience it would require months for the Ways and Means Committee to conduct its hearings. Then executive sessions would be required to decide whether or not the committee would recommend it to the House. In other words, there would have to be some procedure whereby the Members of the House could make a study and weigh the merits or demerits of a trade agreement and this, at best, is a procedure that would take months.

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

Mr. DOUGHTON. I yield.

Mr. MOTT. Does not the gentleman believe that in the case of some of these trade agreements, like the lumber agreement, the longer Congress waited to ratify the better it would be for the country?

Mr. DOUGHTON. No; that is typical of the Smoot-Hawley high-tariff observations and those who believe in the old logrolling tactics. When you speak about logrolling as something applicable to them, it seems to hurt. The hit dog is always the one that "hollers." Everyone knows that. There must be something about that that hurts, for it brings such a cry from them.

After the House acts on a proposed agreement, under the terms of this amendment, it must then go to the Senate and the Senate must hold hearings on it, then act on it. Then it must go to conference, and everyone knows that before it goes through all that procedure the foreign governments would become so disgusted that they would withdraw from the whole proceeding. In other words, it means the defeat of the purpose of the Trade Agreement Act, and when you defeat the purpose you kill the whole program.

Now, if my friends on the Democratic side are ready to do that, and it is clearly the issue; if they are ready to abandon a great policy of this Government; a great program of this administration which has done so much for agriculture, and I say this advisedly; which has done so much for labor, and I say this advisedly; which has done so much for industry; and so much for those in every walk and calling of our great national life; then take that responsibility. But I say that those who believe in treating the tariff sensibly, those who believe in treating the tariff in justice to all industry, are as one; and I hope they will rise up and vote down this iniquitous amendment. It is nothing in the world but an attempt to kill the whole program. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. TREADWAY. Mr. Chairman, I am in hearty accord with the amendment offered by the gentleman from New York. It seems to me that the adoption of this amendment would remove one of the most serious objections that has been raised to the trade-treaty program. This is not a time when additional authority should be placed in the hands of any official.

The House of Representatives is the representative body of the voters of the country, and it seems to me very strange that those who purport to believe in democracy and the democratic form of government should want to take away the authority and power that rightfully belongs to the Members chosen and elected by the people to enact legislation, particularly legislation affecting the taxes and revenues of this country.

It is perhaps unbecoming of me, in view of the close relationship existing between myself and the chairman of the committee, to refer to remarks that he has previously made on the very point here at issue, but I cannot help reminding him of a statement appearing on page 12 of the minority report, quoting remarks made by the gentleman from North Carolina [Mr. DOUGHTON] several years ago on the subject of tariff making by the Executive. He said:

In my opinion, we have gone a long way too far already in the centralization of power in the Executive head of the Government * * * and if this bill is enacted into law he will have the power of life and death over industry, all manufacturing enterprises, and complete autocratic power affecting agriculture.

My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus.

This is truer today, Mr. Chairman, than it was when uttered by the distinguished gentleman from North Carolina in 1929. It seems to me, with these words before him and before the Democratic side of the House, they cannot but stultify themselves in voting down the amendment offered by the gentleman from New York.

The purpose of this amendment is to require that any future trade treaties which may be negotiated by the President shall be subject to congressional approval before becoming effective. It is to be noted that the approval of both Houses would be required. This amendment differs from the proposed amendment requiring senatorial approval alone, in that a majority vote would suffice, whereas senatorial ratification would require a two-thirds majority.

House as well as Senate approval of the treaties should be required for at least two very good reasons. In the first place, these treaties affect the revenue in that they provide for reductions in tariff rates. Under the Constitution, the House of course has the prerogative of initiating revenue legislation. Moreover, those negotiating the treaties exercise a power of life and death over every branch of domestic industry and agriculture dependent upon tariff protection for their existence. The effect of these treaties is felt in every congressional district in the land. It is not too much to ask that Representatives as well as Senators have a voice in their approval, inasmuch as they vitally concern the welfare of the whole country.

Under the existing practice, no public hearing is ever held on a completed treaty. Such hearings as take place are held before the actual negotiations of the treaties begin, and they are conducted by a different group than the secret group

which actually carries on the negotiations with foreign countries in star-chamber proceedings. The requirement of congressional approval of the treaties would provide an opportunity for public hearings on the completed treaties before the appropriate committees of the House and Senate. Congress would have an opportunity to weigh the testimony of those adversely affected by the treaties against the evidence of the so-called experts who conduct the actual negotiations. Treaties actually or potentially harmful to the national interest could be prevented from going into effect.

Those Members who have been particularly concerned about the negotiations being carried on with Argentina, Uruguay, and Chile should think twice before allowing the present act to be extended without requiring congressional approval of future treaties. While it is true that these negotiations have been terminated, they can at any time be resumed, although it is hardly to be expected that such resumption will take place until the pending joint resolution has been enacted. The only way Members can protect their constituents from unwise and harmful tariff reductions in the future is by voting for this amendment requiring treaties to be submitted to Congress for approval.

The fact is that in all but three instances, the 22 treaties thus far negotiated have been subject to approval by foreign legislative bodies. In 10 instances such approval was required before the treaty became effective. In nine instances, the right of subsequent ratification was reserved. Why should the Congress of the United States sit idly by and abdicate its constitutional authority over treaties and the regulation of foreign trade while foreign legislative bodies continue to exercise that prerogative?

In all past reciprocity legislation where Congress has not specified in advance the articles and rates which the President might use as a basis for negotiation, it has always reserved the right to approve treaties before they became effective. In recent years, however, the tendency has been to centralize all authority in the Executive. So far as tariff and treaty making is concerned, the Congress has the opportunity now to reassert its authority. If it fails to take advantage of the opportunity it has only itself to blame, should injurious treaties be negotiated in the future.

Members from agricultural States should be particularly interested in securing the adoption of this amendment because of the fact that the scope for future treaties is virtually limited to agricultural countries, whose products directly compete with our own. They have seen how ineffective their protests against rate reductions have been in the past, when they appeared before the so-called Committee for Reciprocity Information. The only effective way Members can exercise any control over the trade-treaty negotiators is by the adoption of this amendment.

In view of the uncertain future which we are facing, there is all the more reason for subjecting future treaties to congressional approval. They bind the hands of Congress for not less than 3 years, and they continue indefinitely thereafter unless terminated by the Executive upon 6 months' notice. Congress has no right to terminate the treaties, except by passing over a certain Presidential veto legislation to set them aside, which, of course, would require a two-thirds majority and would at the same time involve a breach of good faith on the part of this country.

These treaties in effect put the Nation in an economic strait jacket. If the wars now going on in all parts of the world should come to an end, and the tens of millions of men now under arms go back to productive employment, we would at once find our market flooded with surplus food and clothing accumulated for war purposes and soon thereafter we would find ships pouring into our ports with the products of foreign agriculture and labor at prices which would be ruinous to our own producers. The displacement of our products of farm and factory would aggravate our farm problem and cause additional millions to be added to the ranks of our unemployed.

In the face of this condition, Members will be lax in their duty as the elected Representatives of their people unless they vote for congressional approval of future treaties.

I hope the amendment offered by the gentleman from New York will be adopted. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 45 minutes.

Mr. TREADWAY. Reserving the right to object, Mr. Chairman——

Mr. COOPER. Mr. Chairman, I may say to the gentleman from Massachusetts that we reached an agreement this morning with the gentleman from New York [Mr. CROWTHER] that 1 hour would be allotted for this amendment.

Mr. TREADWAY. If that agreement was made, I will stand by the gentleman from New York.

Mr. DOUGHTON. That is the agreement we reached with the gentleman from New York [Mr. CROWTHER] this morning.

Mr. TREADWAY. Thirty minutes a side; is that it?

Mr. COOPER. We have consumed 15 minutes already.

Mr. DOUGHTON. No; my request is that debate on this amendment and all amendments thereto shall close in 45 minutes.

Mr. TREADWAY. The hour is to include the time already used?

Mr. DOUGHTON. Yes.

Mr. COOPER. And that is agreeable to the gentleman from New York [Mr. CROWTHER].

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

Mr. POWERS and Mr. HAWKS objected.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 45 minutes.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 161, noes 121.

Mr. POWERS. Mr. Chairman, I demand tellers.

Tellers were refused.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL] for 3 minutes.

Mr. DINGELL. Mr. Chairman, we have heard an appeal from the minority side on an amendment regarding Senate ratification. My distinguished friend from Massachusetts stated it was submitted in the best interest of the country and that it would be the proper thing to do to adopt it. I hold just the opposite and that it would be the worst thing to do because it would mean the death of trade agreements, and the pending legislation, which is precisely what the minority is seeking to do at this time.

There is another and very important point involved, one that I have always been jealous about. That is the question surrounding the rights and the privileges of this House and their surrender. If there are any House privileges and rights involved, we may as well retain them for ourselves, as is provided under the Constitution. I am absolutely opposed to turning this matter over to the Senate.

If there is to be ratification of any kind it ought to be by the House of Representatives. In this connection I may say that if we are aiming at speed, if we are aiming at thoroughness, if we are aiming at the elimination of log-rolling, I think the question should be left right where it is—in the hands of the experts who have handled it very fairly and admittedly very thoroughly. An exporter who appeared before our committee as a witness testified to the effect that this question was being treated fairly, thoroughly, and honestly, and if that is the case I think the question of Senate ratification, which means the death sentence of the trade agreements, should be dealt with promptly and effectively. It should be defeated.

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

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. McLEAN] for 3 minutes.

Mr. McLEAN. Mr. Chairman, the proposed amendment provides that all trade agreements made with foreign nations shall not take effect until they have been approved by Congress by law. It was my purpose to introduce such an amendment, but the proposal by my senior colleague, the gentleman

from New York, makes it unnecessary for me to do so. I rise in support of the amendment.

The President in his address to the Congress on this subject said, "Everybody recognizes that general tariff legislation is a congressional function." The delegation of that function to another branch of our Government does violence to the restrictions and limitations of the Constitution. When the original Trade Agreements Act was adopted the obligation of the Congress to preserve and defend the Constitution was disregarded. We should not continue this violation of our fundamental law.

Less than a year ago in this Chamber there was celebrated the one hundred and fiftieth anniversary of the commencement of the First Congress of the United States under the Constitution. A joint session of the Congress was assembled. In attendance were the President of the United States and his Cabinet, the members of the Supreme Court, the Diplomatic Corps, and various other dignitaries of our own and foreign governments. On that occasion the Chief Justice, speaking of the several departments of our Government, said:

> In the great enterprise of making democracy workable we are all partners. One member of our body politic cannot say to another, "I have no need of thee." We work in successful cooperation by being true, each department to its own function, and all to the spirit which pervades our institutions—exalting the processes of reason, seeking through the very limitations of power the promotion of the wise use of power.

Is this no longer so? Can the President say to Congress, "I have no need of thee"? The delegation to the President of the unfettered power in the Reciprocal Trade Agreements Act results in his being able to say just that—"I have no need of thee."

It has always been recognized that, due to the complexity of detail in the administration of governmental functions, some delegation of authority by the legislative branch to the Executive must be necessary, but limitations and restrictions have been set up to prevent the abuse of such delegated power. This is what the Chief Justice meant when he referred to the limitations of power promoting the wise use of power.

Justice Harlan in *Fields* v. *Clark* (143 U. S. 681) said:

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

Hence the Supreme Court has uniformly held that any authority delegated to the President must carry with it a standard pursuant to which the delegated authority must be exercised. The standard must be such that the function of the President amounts to nothing more than an administrative act. It should contain restrictions and limitations to prevent the exercise of his own discretion. It should prevent the broadening by Executive mandate of the legislative enactment. The Executive must find direction and guidance in the legislation making the delegation and not in his own judgment or desire.

It is argued by its proponents that there is no violation of the rules limiting the delegation of power to the President in the proposed legislation, and the case of *United States* v. *Curtiss-Wright Export Corporation et al.* (299 U. S. 304) is cited in support of such contention. That case is not at all comparable to this situation.

There is a recognized distinction between internal affairs and situations entirely external. Greater latitude is permitted in matters of foreign affairs. The whole aim of the resolution in the Curtiss-Wright case was to affect a situation entirely external to the United States and falling in the category of foreign affairs. What we have here is a situation so extensive in its effect on our citizens as to come entirely within the category of matters of internal concern. Notwithstanding the fact that the resolution in the Curtiss-Wright case concerned foreign affairs, Congress had outlined the functions of the President and the administrative acts he was to perform.

The entire resolution, both as to purpose and procedure, was entirely within the traditional practices of our Government. The case does not hold that Congress has ever given the President unfettered power or authority to make agreements or treaties without the advice and consent of the Senate or congressional mandate or that to do so would be constitutional.

The now famous *Schechter case* (295 U. S. 495) is worthy of our attention here. It is an excellent guide and leaves no doubt as to the proper procedure in matters of the delegation of power by the Congress to the Executive. That case resulted from legislation predicated upon the same philosophy of government as the pending resolution—the concentration of unfettered legislative power and authority in the President. It contemplated Executive orders with the force and effect of law. The proponents of the legislation should examine the Schechter case and the authorities therein cited. It is the case in which the National Recovery Act—the so-called N. R. A.—was set aside as being an undue delegation of authority to the Executive in violation of the restrictions of the Constitution. Counsel for the Government consisted of Mr. Donald Richberg, Solicitor General Stanley Reed, Assistant Attorney General Stephens, and seven other Government attorneys. It is safe to say that in its consideration every precedent was cited and carefully examined. The opinion of the Court was unanimous. The wisdom of the case is sound and consistent with our traditional policy and practice.

The appeal here is that Congress should delegate unfettered powers to the President for the reason that "because of the stupendous task involved in the fashioning and passing of a general law, it is desirable to provide at times of emergency some flexibility to make the general law adjustable to quickly changing conditions." These reasons do not justify the delegation of power here sought. "Extraordinary conditions do not create or enlarge constitutional power" (290 U. S. 398).

The time allotted to me does not permit a reading of the pertinent portions of the Schechter opinion, but I shall set them out in the RECORD. On this point the Court said (295 U. S. 528):

> Undoubtedly, the conditions to which power is addressed are always to be considered when the exercise of power is challenged. Extraordinary conditions may call for extraordinary remedies. But the argument necessarily stops short of an attempt to justify action which lies outside the sphere of constitutional authority. Extraordinary conditions do not create or enlarge constitutional power. The Constitution established a National Government, with powers deemed to be adequate, as they have proved to be both in war and peace, but these powers of the National Government are limited by the constitutional grants. Those who act under these grants are not at liberty to transcend the imposed limits because they believe that more or different power is necessary. Such assertions of extra-constitutional authority were anticipated and precluded by the explicit terms of the tenth amendment: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

As to the question of the delegation of legislative power, the Court said:

> We recently had occasion to review the pertinent decisions and the general principles which govern the determination of this question (*Panama Refining Co.* v. *Ryan*, 293 U. S. 388). The Constitution provides that "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives" (art. I, par. 1). And the Congress is authorized "To make all laws which shall be necessary and proper for carrying into execution" its general powers (art. I, pars. 8, 18). The Congress is not permitted to abdicate or to transfer to others the essential legislative functions with which it is thus vested. We have repeatedly recognized the necessity of adapting legislation to complex conditions involving a host of details with which the National Legislature cannot deal directly. We pointed out in the Panama company case that the Constitution has never been regarded as denying to Congress the necessary resources of flexibility and practicality which will enable it to perform its function in laying down policies and establishing standards, while leaving to selected instrumentalities the making of subordinate rules within prescribed limits and the determination of facts to which the policy as declared by the legislature is to apply. But we said that the constant recognition of the necessity and validity of such provisions and the wide range of administrative authority which has been developed by means of them cannot be allowed to obscure the limitations of the authority to delegate, if our constitutional system is to be maintained (Id., p. 421).
>
> Accordingly, we look to the statute to see whether Congress has overstepped these limitations—whether Congress * * * has itself established the standards of legal obligation, thus performing its essential legislative function, or, by the failure to enact such standards, has attempted to transfer that function to others.

As was said, we must look to the enactment delegating the authority to determine if we are trespassing upon forbidden ground. The Reciprocal Trade Act contains no standards such as are prescribed by the established rules, but conveys to the President unfettered legislative power. It is exactly the same situation as in the N. R. A. case, which moved Justice Cordoza to observe, "This is delegation running riot." Further proof is unnecessary, but can be found in the administration of the act since its adoption and the attitude of its proponents. Having failed to provide such standards as are necessary to bring this program within constitutional limitations, Congress should adopt the pending amendment providing for congressional approval of agreements made pursuant to the Trade Agreements Act. Without it the President will have "no need of thee."

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. GIFFORD] for 3 minutes.

Mr. GIFFORD. Mr. Chairman, just a sad word or two about the pending delegation of power. I want to record the passing of the great Ways and Means Committee, its suicide, its admission that it cannot legislate tariff matters any longer. It should be easy, indeed, to understand tariff matters as compared with taxation complexities. We may well expect that shortly the committee will abdicate taxation problems and delegate them to the Executive.

I regret that no longer you and I can go before a committee of our peers, elected by the people, responsible to the people, and there plead the people's case. They really have the ability to legislate. They demonstrate that here today. Why do they delegate their plain duty? Why? They prefer the dictatorship method. If Hitler could only have this magnificent and wealthy country, with its present population, and the power we have granted to make magic money, and the power to make bargains with all other nations, and the power to purge Senators in the nice way we do it here, by real elections—he has to shoot them over there because that is the only effective way he has—if he had our President's power, how he would rejoice. He could accomplish all his purposes by less brutal methods.

Mr. Chairman, I sadly record the suicide attempt of supposedly the greatest committee of this House. It is probably one of the gravest things that has ever happened in this body.

"Good-bye, Ways and Means." [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, the Crowther amendment does not affect the merits or demerits of this bill. It has to do solely with the constitutional powers of the House of Representatives, nothing more nor nothing less. Members of the House who have taken an oath of office to preserve, protect, and defend the Constitution of the United States must now go on record whether they are for the Constitution or against the Constitution and for or against representative and constitutional government.

It is a very simple question. We often suffer in comparison with the Senate of the United States. The Members of that body look after their rights, their prerogatives, and their constitutional powers. When this bill goes over there for consideration and discussion, they will discuss at length whether they have the right to ratify these trade agreements or not. But I am not so concerned with that question. That is for the Senate to decide.

The Constitution is the greatest charter of human liberty in the world, yet the new dealers are kicking it around for political reasons and purposes of expediency until it becomes nothing more than a scrap of paper. If we can scrap our constitutional power to originate revenue legislation, we can equally and just as easily scrap any other provisions of the Federal Constitution. The House of Representatives has far more at stake in the sacrifice and delegation of our vital constitutional powers than the Senate has in regard to the ratification of these trade agreements. I am concerned mainly with the rights, the powers, the prerogatives, and the authority granted by the Constitution to the House of Representatives. That is the only issue raised by the pending amendment. It far transcends the merits or demerits of the legislation, but we have to decide this issue in 3-minute speeches. The vital principle that we are discussing here is that of taxation without representation. It was the reason and cause of the Revolutionary War, the existence of our Government, and the speeches of Patrick Henry and of James Otis before the American Revolution, of John Hampden in the English Parliament, and of Mirabeau in France, over the great fundamental question of taxation without representation. If we vote down this amendment we will by our vote surrender our constitutional power over the purse strings, our power to initiate tariff legislation, the power to originate and raise revenue and to control the lay taxes, which powers have been delegated to us by the American people. We deliberately, brazenly, and disgracefully will surrender those constitutional powers if we do not vote in favor of the Crowther amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the gentleman from Michigan said the adoption of the amendment now pending meant a death sentence for this bill. I want to submit to you that any bill that proposes to take away from the representatives of the people powers given to those Representatives by the Constitution, without an opportunity thereafter for the elected Representatives of the people to pass on tariff matters, should be given a death sentence.

The Crowther amendment does not destroy reciprocity, nor does it prevent preparation of a trade agreement by tariff experts. It merely provides that the elected representatives of the people shall have a chance to pass on the results of those negotiations. Now, what is wrong with that in a representative government? Nineteen of the twenty-two countries with whom we have made these agreements let their assemblies ratify them.

The course proposed in the bill without this amendment is the course of a totalitarian, overhead autocratic government.

It has been suggested in the debate that this question was not political, and again, it is said to be political. On that, I simply wish to say that if the leadership of the majority party today believe that it is good politics to ram this bill through as is, then they have not traveled west of the Mississippi River. [Applause.]

I heard the gentleman from Massachusetts [Mr. McCORMACK] say that 85 percent of the people are in favor of this measure. This simply proves that the gentleman knows more about Boston than he knows about the western part of the United States, for I say to you that you cannot go into the States west of the Mississippi River today and get the old-line Democrats to come out and be candidates for Congress on any platform that calls for extension of the Reciprocal Trade Agreements Act as is.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield to a Representative from west of the Mississippi River?

Mr. CASE of South Dakota. I cannot yield with only 3 minutes to speak. What you will do is to crucify some of the Members you have here now. I know what I am talking about and so do some of you. I know what some of the western Members, who lost out last year, were crucified on. I know how you are going to crucify some of them this year if you put this measure through blindly. These Members cannot go home and justify a vote to extend the Reciprocal Trade Agreements Act unless some way is established for the elected representatives of the people to have a voice in their final approval.

We have been told that the president of the Farm Bureau is in favor of this bill as is. I know what rank-and-file members of the Farm Bureau write to me, Democratic Members, Democratic ranchers and stockmen, and they are in favor of having Congress retain for itself the American right to pass on these agreements.

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

Mr. CASE of South Dakota. I yield to the gentleman from Massachusetts, since I have mentioned him.

Mr. McCORMACK. Does the gentleman believe the Republican Convention will adopt a plank condemning this legislation?

Mr. CASE of South Dakota. I believe the Republican platform will demand that any such treaties be ratified by the Congress or by the Senate. [Applause.] Reciprocity? Yes. Preparation of basic tariff schedules by experts? Yes. But do not deny final voice to the men and women elected by the people. Even if your board were all-wise and as benevolent as Santa Claus, you cannot explain to the people why you propose to throw away powers given to them through you under the Constitution.

Call it logrolling if you will; this fight to maintain representative government is the great fight of our day. I am proud that the Republican Members and the independent Members are practically a unit in trying to maintain the powers of the people. Times have come to a tragic pass when the Democratic Party will even crucify its own members in order to turn all tariff making over to a board, from whom there is no appeal, and deny to the elected representatives of the people a voice in the ratification of foreign-trade agreements. [Applause.]

[Here the gavel fell.]

Mr. BATES of Massachusetts. Mr. Chairman, Massachusetts' depressed industrial picture and the grave thought of what may happen in the future prompts me to take the floor this afternoon in opposition to the continuation of the trade-treaty program as presently carried on. I have given this question my most careful study and I am convinced from the experience we have had and are having today in our Commonwealth and particularly in my district as well as many other parts of the country, that adequate safeguards for the protection of our industries, agriculture, and the workers of the United States have not been set up.

It is also my firm conviction that there is altogether too much authority vested in the hands of a few men who have the sole power to determine questions which vitally concern the entire economic life of this country. This delegation of power to a few is too broad and far-reaching and may lead to disastrous results unless some curb is placed upon it.

Secretary of State Hull, as a Member of the Senate when the Tariff Act was under consideration in 1930, stated in speaking of the flexible provision in the bill:

> This is too much power for a bad man to have or for a good man to want. The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astounding, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of the government on a basis so broad and unlimited as is proposed in the pending bill.

Let me also call your attention to a statement also in 1930 by the gentleman from North Carolina, the Honorable ROBERT L. DOUGHTON, and present chairman of the Ways and Means Committee. He said in connection with the 1930 act:

> In my opinion, we have gone a long way too far already in the centralization of power in the Executive head of the Government * * * and if this bill is enacted into law, he will have the power of life and death over industry, all manufacturing enterprises, and complete autocratic power affecting agriculture.
>
> My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus.

If Secretary Hull and the chairman of the Ways and Means Committee were right at that time, I wonder what description they should give the President, with the power that is vested in him now under the Reciprocal Trade Act. I say, he has altogether too much power for any one man to have, and we should lose no time in divesting him of it and give it back to the representatives of the people in Congress.

The Senate, at least, ought to have the right to ratify these compacts. With the exception of three small countries—namely, Belgium, Cuba, and Ecuador—all trade agreements entered into by the United States had to be approved by the legislative branch of the governments of all other nations interested. Why should an exception be made in the case of the United States, which boasts of the greatest consuming market in the world?

It is generally agreed on all sides that the development of our commercial intercourse with other nations of the world is a good thing for all concerned, provided no harm is done to our own industries and to the working people of our country. In the planning of these trade agreements already entered into, proper protection was not provided for some of our American industries, and I speak with knowledge and authority of the facts involved.

I have particularly in mind the trade pact with Czechoslovakia, and I feel safe in saying that no industry has suffered more as a result of imports than the shoe industry in my district, which made the type of product that came into the path of the Czechoslovakian shoes. In 1937, the year before the trade agreement with Czechoslovakia was made, imports of shoes, with the exception of 1929, was the highest in our history. They reached such tremendous proportions that the shoe industry in my section became rapidly demoralized. These Czech shoes were not only destroying the price structure of the market into which American-made shoes were going but, in fact, were taking a very substantial portion of the market itself. These imports represented 14 percent of the domestic production of that particular type of shoe.

Notwithstanding the critical condition of the shoe industry in my district as a result of these heavy imports made by the cheap labor of Czechoslovakia and not withstanding our pleas to the Tariff Commission for an increase in the duty of these products, the Czechoslovakian trade agreement "froze" the rate on this type of shoes and reduced it on some others that were coming into this American market in competition with the products of our own shoe industries.

During this period in the second largest shoe center in Massachusetts where 75 percent of the industrial workers were employed in that industry, the chamber of commerce of that city made a check-up of conditions and informed me that out of 28 factories making that particular type of shoes, 18 had closed their doors and the other 10 were practically at a standstill. Wage cuts were the order of the day in trying to help meet this situation.

There apparently was no hope for the shoe workers in my section. The only thing that saved this industry which employed many thousands of workers was the German occupation of the Sudetenland and the absorption of Czechoslovakia. This particular situation gives clearly proof of the damage that can result from such trade agreements which of Czechoslovakia, the trade agreement was canceled and are not carefully entered into. After the German occupation this was followed immediately by increased pay rolls and more business in that Massachusetts shoe center. The year 1939 was substantially better than 1938 according to latest figures received from the Massachusetts Department of Labor and Industries.

It is my candid opinion that if the Senate had had the question of approving these trade agreements, the manufacturers undoubtedly would have had a more sympathetic reception of their pleas.

Permit me to refer to another industry in my district, and one about which a good deal has been said within recent days on the floor of the House. I refer to the fisheries industry. In one large community nearly one half of its industrial workers are engaged in the fishing business. It has a population of approximately 25,000 people. It is the city of Gloucester, Mass., the oldest fishing port in the United States, and whose industry dates back to the days of the early settlers, over 300 years ago.

Imports of filleted fish in recent years have increased substantially. During the year 1937 the fisheries business experienced one of its most difficult years, and surpluses piled up in the refrigerators. Fish was a glut on the market, prices were at the lowest point, and it was impossible to dispose of the heavy holdings. Imports of this kind of fish had also been increasing by leaps and bounds since 1932 under the then existing tariff rate of 2½ cents a pound.

The pleas of the fisheries industry, as well as the workers, were brought to the floor of the Congress, and that body appropriated $1,000,000 for the Surplus Commodities Corporation to purchase this surplus fish. Altogether there was a total of 15,654,048 pounds bought under the provisions of the act, of which amount 10,487,958 pounds came from Massachusetts. The Congress by this action recognized the plight of the industry, and the appropriation of $1,000,000 went a long way toward relieving the surplus fish condition brought about largely by the constantly increasing imports of the very type of fish that the Congress authorized the Surplus Commodities Corporation to purchase. It is well to bear in mind that these purchases were made in the calendar years 1937 and 1938.

Apparently this situation made no impression on those negotiating the trade agreements with Canada, and which became effective on January 1, 1939. Notwithstanding the tremendous rise in the imports in this particular type of fish that had taken place between 1932 and 1938, the duty was cut from 2½ cents to 1⅞ cents a pound. The result of this reduction is evident when we read the record of imports for 1939, showing that the imports for that year were nearly double the total for 1938. The imports in 1932 totaled 2,251,000 pounds; in 1938, 10,977,000 pounds; and in 1939 increased to 17,111,000 pounds.

What is going to happen in 1940 and future years as a result of the lowering of the duty on this fish? What is going to happen when fish pile up in surplus, as it did in recent years, when the Newfoundland deal with the General Seafoods Corporation became effective and which deal permits fish to come in duty free? The whole Government policy is contradictory and absurd. The Congress on one hand appropriated during the past 3 years $2,500,000 for the purpose of purchasing surplus fish, and on the other hand, under the Canadian trade agreement, the tariff rate was reduced, thus permitting more fish to be brought into this country. Time alone will show the fallacy of the present program.

In the woolen industry, which provides employment for many thousands of our industrial workers in New England, the tariff was reduced on woolen goods notwithstanding the constantly increasing imports under the tariff rates existing before the trade agreement was entered into with the United Kingdom, and in which country the wage rates are only a third of those paid here in the United States.

Imports of woolen and worsted cloth weighing more than 4 ounces per yard had increased from 3,229,246 pounds in 1938 to 6,473,129 pounds in 1939. Compare this with 1,793,672 pounds in 1932. This kind of cloth constitutes a substantial volume of the output of some New England mills, and the effect that these imports have on the price structure is tremendous. The result is that the businessmen operating these industries upon which so many of our men and women depend for work have the jitters over it all. Already burdened with internal troubles, these external problems give them a great deal of concern. The representatives of this industry loudly protested this tariff reduction.

If we expect to put this country on the road to prosperity and better days, the only way it can be done is to stimulate the wheels of industry and create employment for our people, and develop the purchasing power which must reflect down through the whole economic structure of the country, thereby improving conditions of all classes.

It is estimated that 92 percent of the products of our farms and the factories of this country are consumed in the United States. This is the greatest market in the world and we ought to throw every safeguard around it and protect it first of all, for the products made by the men and women of our Nation. I therefore feel very strongly that at least the Senate of the United States should have the power of approval or disapproval of these trade agreements before they would have the force of law.

There are vital questions involved in this issue today, and in which I am tremendously interested. Must New England industries that have made this area a great revenue-producing source for the Federal Government be sold down the river? Must we bid farewell to the time-honored fishing industry of Gloucester and other eastern seaports because of the lack of foresight and consideration of officials who permit millions of pounds of fish to come in under reduced duty, while at the same time, the Government is spending tremendous sums to buy up surplus fish? Shall the woolen industry of such great centers as Lawrence be sacrificed on the altar of trade agreements to permit an increased foreign sale of typewriters and other articles? Shall a similar fate await the cotton industry? What shall we gain by destroying a great industrial area in order to benefit another? The time has come to order a halt to such an asinine movement.

Foreign trade is essential and beneficial, but should we destroy our own factories, deprive thousands of jobs and break down our price structure in cultivating that trade? Foreign shoes, cotton, wool, hats, fish that come here must compete with or take the place of our own products. We much have protective tariff walls for that type of competitive class of goods. The American worker or farmer should at least be given an even break, if we are to maintain our standards of wages and living.

The American market is the greatest of all and to which the producers from all nations look with envious eyes. We must realize that after this great conflict now being waged in Europe and Asia has ended, the foreign producers will immediately search for markets to place their goods, and it is certain, that unless we set up safeguards to protect our industries and agriculture, the flood of foreign goods will have a very devastating effect upon our economic structure and the welfare of our people as a whole. Remember that two-thirds of all imports to this country come in duty free. Why barter the other third, and make the United States the dumping ground for cheap goods made abroad?

The sponsors of the trade-agreement program have constantly stated that one of the greatest benefits from the reciprocal trade treaties would be the promotion of peace among the nations. Yet not a bit of evidence was presented during the recent hearings supporting that contention. Conditions throughout the world today belie that expectancy.

In my opinion, it is just as important to maintain peace in this country as it is abroad, if we expect to continue as a democratic nation. Peace in our country can only be achieved through a contented people, and that contentment must come through the medium of work. In seeking that objective, the industries are our only hope. [Applause.]

Mr. SHORT. Mr. Chairman, the Constitution of the United States clearly and specifically states that all treaties between this Nation and foreign governments must be ratified by the Senate of the United States, but under the cry of emergency a supercilious and pusillanimous Congress has surrendered its constitutional prerogatives of lawmaking to the executive branch of our Government.

It is interesting to note that when the flexible provisions of the 1930 Tariff Act were being debated in both Houses of the Congress, Cordell Hull, who was at that time a Senator, said:

> It is clearly unsound, unwise, impracticable, subversive of the plain functions of Congress, and should be speedily repealed.
>
> The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astounding, is undoubtedly unconstitutional, and is violative of the functions of the American Congress.

I believe what Mr. Hull said at that time was true then; I believe it is also true now; and it is interesting to note that our beloved chairman of the Ways and Means Committee at that time said on the floor of this House:

> The fathers who framed the Constitution, wisely, in my opinion, left to Congress the initiating and enacting of laws raising revenue. The flexible provision giving the President the power to raise or lower tariff rates to the amount of 50 percent renders nugatory in spirit and practical effect this provision of the Constitution.

Then he went on to say:

> It seems that the more power men are given, the more they are obsessed with a morbid gluttony for increased power. My friends, it is time to pause and call a halt; to stop, think, look, and listen before we go over the yawning precipice just ahead of us.

Who spoke those words? None other than the old, grizzily, honest, truthful, fearless gentleman from North Carolina, BOB DOUGHTON.

Now, why is it both of these distinguished citizens amongst us have so quickly changed their minds under the cry of "emergency"? Oh, what crimes have been committed under that cry! Perhaps the change has been produced by political expediency, but there are some principles that are fixed and eternal. There are some ideals that are unalterable and unchangeable. The teachings of the Holy Roman Catholic Church are the same today as they were when uttered by St. Peter or St. Thomas Aquinas. The teachings of Free Masonry are the same today as they were when taught by either King Solomon or George Washington. No one here would want to repeal the Decalogue because it was uttered by Moses in the "horse and buggy" days. The Ten Commandments were true then and are just as true today. Times and conditions change, but truth never changes. Two plus two still equal four. The Constitution is not altogether inflexible, but its provisions should not be changed with each administration to suit the convenience of the party in power. If "tariff making by the Executive" were unconstitutional and dangerous in 1930, the same is true in 1940. Nothing has happened in the past decade to justify this unconstitutional change in the fundamental law of the land.

Mr. HARNESS. Mr. Chairman, I am opposed to the extension of the Reciprocal Trade Agreements Act because I am convinced that it is not honestly what it professes to be, that it is utterly inconsistent with the domestic problems we have been pursuing, and that its net effect has been and will continue to be definitely injurious to the country.

I hope the resolution will be voted down, although I know that is a forlorn hope, and since the resolution is almost sure to be passed I hope, at least, this amendment will be adopted to save our constitutional system. This Congress could not do a more sane or sensible thing than to follow the principles of constitutional government and take back the right to pass on these treaties.

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

Mr. HARNESS. I yield.

Mr. BOEHNE. If the proposed amendment is adopted, will the gentleman vote for the resolution?

Mr. HARNESS. No; I shall not vote for the resolution because I do not believe in the international free-trade philosophy of the executive agency that now negotiates these treaties.

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

Mr. HARNESS. I yield.

Mr. SHORT. Is it not true that the Congress or the parliament of the foreign governments with whom we negotiate these treaties debate and ratify or reject them?

Mr. HARNESS. Yes.

Mr. SHORT. So they have a more nearly democratic government in those countries than we have been able to secure here?

Mr. HARNESS. That is absolutely true; and if we adopt this amendment we will restore to the people's representatives the power that rightfully belongs to the Congress.

I fully agree with the proponents of our present trade policy that tariff making must be scientific. I also agree that foreign trade is desirable and necessary and that we ought to encourage it wherever it is advantageous. But I certainly oppose the "foreign trade at any price" philosophy which the internationalists and free-traders now in charge have been pursuing. I certainly do not want a nickel's worth of foreign trade that comes at the ultimate expense of the domestic economy.

If there is supposed to be scientific skill at work in our present program, I wonder how in the world we can explain the fact that we have worked desperately all through the New Deal to raise wages, production costs, and general price levels and then have turned around and worked just as effectively to defeat that purpose by exposing the American economy through lowered tariffs to increased competition from abroad.

Where in the world is the science in telling an American manufacturer that he must pay uniformly higher wages, work his employees fewer hours, and carry a sharply increased tax burden, all increasing his production costs, and in the next breath telling him that he must meet the competition of foreign producers without protection against their low-wage or serf labor?

Where in the world is the sense in telling an American farmer that he must raise less corn or cotton or livestock to help get rid of surplus farm commodities and to restore parity, and at the very same time lowering our tariff barriers and inviting increased imports of farm products to swell that surplus and drive farm prices further from parity?

The hearings before the Ways and Means Committee are crowded with statistics on this subject. So is the RECORD since it has come to the floor, so I am offering nothing new when I call attention to what is happening to American agriculture under the trade agreements. The simple facts are that imports of competitive farm products under trade agreements have averaged about $125,000,000 a year higher than for a similar period before trade agreements. That is an increase of about 25 percent in our imports of directly competitive commodities; but noncompetitive agricultural imports showed no such increase. In fact, they have increased only about 7 percent. Exports of farm products also show the trade agreements working in reverse. Average exports under trade agreements have dropped about $230,000,000 a year, a loss of about 25 percent, below the average for a similar period before trade agreements.

These figures show up particularly to the farmer's disadvantage when you remember that before trade agreements farm commodities used to make up nearly 40 percent of our total exports. Under the trade-agreement program the percentage of agricultural exports to total exports has steadily fallen until at the end of 1938 farm commodities made up less than 25 percent of the total.

The argument then is raised that the figures for agricultural exports and imports really do not tell the story. Proponents say that what the farmer may lose directly in foreign trade he recovers with handsome interest in the vast benefits to industry, which will trickle down to him in the form of increased purchasing power in his domestic markets. I do not concede the vast benefits to industry, but granting them for a moment, is the farmer actually reaping these indirect benefits? The records do not show it if he is. If trade agreements have increased mass purchasing power in the urban centers, that power has not even begun to nibble at the surpluses, and the problem remains just as much of a headache as ever. If anything, trade agreements have actually aggravated the problem. If trade agreements are a stabilizing influence in our economy, the fact is not reflected in the relationship of the farmer's purchasing power to total national purchasing power. Beginning on the first page of the hearings on the current agricultural appropriations bill, Secretary of Agriculture Wallace admits that we are, if anything, further than ever from parity for the farmer. This Congress right now is haunted with the problem of parity payments—and the Agriculture Department admits that the appropriation proposed is actually only about a third the amount required—on top of all other funds available and to be appropriated—to achieve actual parity.

In the meantime, rich American farm lands remain in enforced idleness while foreign imports replace the production of literally millions of our home acres. And about the only thing we have thought of to do so far is to hold a tight rein on American agriculture and tinker with export subsidies to relieve farm surpluses in direct violation of this act which we are asked to extend.

But the proponents still insist that the net result is all to the good, and cling to the idea that American industry is benefiting under the present program. A plausible set of statistics can be presented to support it. But take a good look at the types of industry benefiting and you will see that almost without exception they are the big mass-production enterprises or smaller industries in which we naturally excel. You can add still other classes to that group who are prospering now because European industrial capacity has been diverted to production for war. The first class of industries are the ones which outstripped their foreign competition years ago, and, needing no protection themselves, profit in free trade. The second group can succeed without protection so long as war diverts their foreign competitors.

But throughout America there are thousands of small industrial enterprises which are vulnerable, which have been seriously damaged, and which will be even more seriously hurt in the future. There are dozens of those industries in my own district, and I speak from direct personal knowledge when I say that they cannot exist in free trade. That is not my opinion, or even the opinion of their managements—it is the studied opinion of the thousands of skilled craftsmen who depend upon those industries for a livelihood. The glass industry, in which we have a number of plants, is a good illustration. Thousands of my neighbors and constituents have actually felt the pinch of low-wage foreign competition. Their industry is coming back well now, but they are far-sighted enough to know that it is only because the European and Asiatic wars—not their own State Department—is protecting them from foreign competition. They are not lulled by a false sense of security, but are demanding their right to continuing employment at American wages which will insure them a decent American standard of living.

It is significant that labor more and more throughout the country feels just as my neighbors do about this free-trade policy, and that more and more labor organizations are denouncing the trade pacts. It is equally significant that the farmers in my district, as elsewhere throughout the country, are preponderantly opposed to our present program. People everywhere are beginning to see through the disguise. This program is not reciprocity, evolved by scientific methods, so much as it is "free trade," "internationalism," "foreign trade at any price," and people recognize it. I believe a preponderant majority does not like it and want it stopped, and that does not mean sacrificing any of the benefits of reciprocal-tariff policies, scientifically applied. There is nothing new about reciprocity. We accepted that as national policy 45 years ago. There is nothing new in the thought of using the best possible skill in tariff making, or in the use of flexible schedules. We started working for that end in 1916, when the organic act creating the Tariff Commission was passed, and continued to broaden the approach in acts of 1922 and 1930.

Going back to the intentions of those acts, the people want a tariff attitude that works to promote foreign trade, but which looks first to the protection and development of the American economy.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK] for 3 minutes.

Mr. HOOK. Mr. Chairman, I voted in favor of the Disney amendment. I am opposed to this amendment and shall vote in favor of the adoption of the reciprocal-trade agreements. I notice that my colleague the genial gentleman from New Jersey said that the great and able Chief Justice of the United States Supreme Court said that no branch of the Government should have the right to say to any other branch of Government, "I have no need of thee." I agree with that statement, and at this time feel that there is no Member of the legislative branch, the Congress of the United States, that feels that we do not need the help of the great office of the Secretary of State. That Department is operating in the interests of the people and its help has been necessary to the proper functioning of this branch. The farmers, the industrialists, the laborers need the assistance of the specialists and experts of that great office. We need to study these things to meet world trade, and the Department of State has the necessary trained help to make that study. Therefore be not so stupid as to say to that great Department, "I have no need of thee." Time and again we have heard discussed here the constitutional question with respect to this act.

I safely predict that if the question of the constitutionality of the reciprocal-trade agreements goes before the Supreme Court of the United States the act will be declared constitutional, and that the great Chief Justice, Mr. Hughes, will join in such an opinion. I believe that it is to the benefit of the laborer, the industrialist, and the farmer to be able to have the markets of the world open to them. If we cut off our exports by refusing their imports, where those imports are not in competition with products produced in the United States or its Territories, our standard of labor will go down below the standard of the laborers of the other countries, because our surplus will pile up so that our mines and factories will close down worse than in 1933. The Smoot-Hawley bill was the cause of that and the present unemployment. Under the reciprocal-trade agreements the income of the farmer has practically doubled in this Nation. The wages of the laborers, as a whole, have increased, even though in some sections they are low and that because of the retaliation against our exports by foreign nations because of the Republican high-tariff policy.

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

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. SMITH] for 2 minutes.

Mr. SMITH of Washington. Mr. Chairman, I voted for the Disney amendment, which would have had the effect of binding against future reductions the present excise tax on lumber, petroleum, coal, and copper. I also intend to support the amendment which will be offered by the gentleman from Nebraska [Mr. COFFEE] to require ratification of all future reciprocal-trade agreements by the Senate of the United States. I am also going to support the pending amendment offered by the gentleman from New York [Mr. CROWTHER], and I do not believe that it would destroy the reciprocal-trade program, which I consider is founded upon sound and salutary principles, provided it is properly administered and its original objectives are attained. I believe that if one or both branches of the Congress had authority to finally pass on these trade agreements they would be more generally satisfactory to the people of the United States.

Mr. Chairman, to paraphrase Hamlet's soliloquy, "To ratify or not to ratify, that is the question." This is not a party question; it transcends all party lines. In fact, this whole subject of reciprocal trade is of Republican origin, reciprocity having been favored by such Republican leaders of the past as Garfield, Blaine, Arthur, Harrison, McKinley, Theodore Roosevelt, and William Howard Taft. Some Democratic wag has been so unkind as to say that this is probably the reason why it is not working out to our entire satisfaction, but I would not say that. The Democrats have adopted the idea, put it into practice, and now we are responsible for it. We have our own record to make. When our Republican friends were in office they always left lumber and shingles, important to my State of Washington, on the duty-free list; but when they are out of office they always make an issue of the tariff and tell the people they would like to do something. But when they had the chance they did nothing.

When in office they have always favored free trade with Canada. On January 10, 1911, President William Howard Taft wrote to Theodore Roosevelt:

> Just at present I am in the midst of reciprocity matters * * * the probability is that we shall reach an agreement with our Canadian friends by which all natural products—cereals, lumber, dairy products, fruits, meats, and cattle—shall enter both countries free. * * * It will be unpopular in New York because of certain lumber-manufacturing interests and the dairy interests. It will be unpopular in Minnesota because of wheat; but, on the other hand, free lumber will be popular in some places, and as it includes free paper and free wood pulp we may count on the fairly good support of the press.

On January 12, 1911, Theodore Roosevelt replied:

> It seems to me that what you propose to do with Canada is admirable from every standpoint. I firmly believe in free trade with Canada for both economic and political reasons. As you say, labor cost is substantially the same in the two countries, so that you are amply justified by the platform. Whether Canada will accept such reciprocity, I do not know, but it is greatly to your credit to make the effort. It may damage the Republican Party for a while, but it will surely benefit the party in the end.

The Democrats have never gone that far. We have not favored free trade with Canada. We have provided the only protection and quota on lumber and shingles in the past 30 years. We intend to keep on fighting for our workers and industries, and are proud of the record we have made.

I favor ratification of all reciprocal-trade agreements by the Senate and am supporting the amendment offered by the gentleman from Nebraska [Mr. COFFEE]. I am firmly convinced that there should be a hearing and check on the trade

pacts in at least one branch of Congress before they become effective, as the people are entitled to know what action is being taken. I do not agree with the viewpoint that the Members of the United States Senate are so utterly lacking in wisdom, patriotism, and statesmanship, and are so narrow-minded and selfish that they are unable to give intelligent consideration to these trade treaties. The crowning irony of that viewpoint lies in the fact that nearly every one of the nations with whom we enter into trade agreements require their lawmaking bodies and parliaments to ratify the treaties. I know that history reveals that former Republican administrations, notably those of President McKinley and Theodore Roosevelt, negotiated numerous trade agreements which were never referred to Congress but went into effect by Presidential proclamation. However, that is not the answer. I repeat, we have our own standards of legislative conduct and our official record to maintain.

Are we going to say by our votes here today that the parliaments and legislatures of Canada, Great Britain, France, and the other 16 foreign nations with whom we have negotiated treaties, and who are required to ratify them, are capable of performing a duty to their people which our highest lawmaking body is incapable of likewise performing for the American people? Do you think you are going to be able to make the people of your district believe that? I doubt it very much. If it is a good thing for the people of the foreign nations with whom we negotiate the treaties to have their legislative representatives pass on the treaties and consider how the interests of their people are going to be affected, then why, by the same token, is it not a good thing for the American people to have their Senators perform a similar service for them?

The time element is claimed to be important, and that it would take our Senators too long to act. I regard this as an unkind stricture against our Senators, for even with their privilege of unlimited deliberative debate, they could hardly consume any more time in reaching a decision than the 11 months it took the Legislature of Brazil to make up its mind in regard to our reciprocal-trade agreement with that nation. Two of the treaties required 8 months, another 6½ months, and another 5½ months for approval by the foreign legislative bodies, and our Senate could act just as expeditiously, if not more so, unless we are willing to admit that we are less competent than they are, which I do not admit.

I want to leave this concluding thought with my colleagues on this side of the aisle. If a treaty is negotiated with a foreign nation, which you read about in the newspaper some morning, and that is the first notice of its terms you will ever read, for you will not learn anything about the final terms of the treaty at the hearings before the Committee on Reciprocity Information, nor during your conferences with representatives of the State Department, and you read for the first time that some important product and industry in your district has been adversely affected, as we in the State of Washington did in regard to the shingle industry in the fall of 1938, when we lost the quota we had enjoyed for 5 years and the only protection against Canadian competition in 30 years, what excuse are you going to be able to give your people for your voting against giving your two United States Senators the opportunity to speak and be heard and to vote to safeguard and protect the interests of the people in your district? [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HAWKS] for 3 minutes.

Mr. HAWKS. Mr. Chairman, it is fitting to say, "Here lies the body." If this amendment does not carry—and I believe that the Crowther amendment is the answer to the entire reciprocal trade agreement question—then constitutional government is buried right here in the Well of this House. The gentleman from Massachusetts [Mr. GIFFORD] made reference to a dictatorship. I do not believe that we have a dictatorship in this country, but I know exceedingly well there is a boss. Kansas City had its Pendergast, Chicago had its Kelly-Nash, Louisiana its Huey Long, and the United States has Franklin D. Roosevelt, and by the way the Democratic side is acting in this legislation it proves to me that is so. My boss, if I have one, are the 300,000 people back in the Second District of the State of Wisconsin, and not down here at 1600 Pennsylvania Avenue, and he never will be under any kind of an administration.

Vote down this amendment and you will vote down the most critical part of this entire argument. Its constitutionality will always be disputed. The gentleman from Michigan [Mr. HOOK] said that the Supreme Court would pass upon it now and declare it constitutional. Yes, indeed; with the kind of Supreme Court we have now, packed as the President has long wanted it packed.

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

Mr. HAWKS. Yes; I yield to my good friend.

Mr. SHORT. I cannot understand the consistency or fairness of certain Members who will vote for the Disney amendment and then vote for this bill. I voted for the Disney amendment, although I have very little coal, less copper, no oil, and little forest in my district. I voted to protect those four items, and I believe we should also vote to protect all agricultural products. Certainly lead and zinc, that are produced in the tri-State area of Missouri, Kansas, and Oklahoma, should be protected. Our reciprocal-trade treaty with Canada threatens to annihilate this important industry.

Mr. HAWKS. The gentleman does not believe that the Disney amendment even begins to compare in importance with this?

Mr. SHORT. Of course not.

Mr. HAWKS. How is the gentleman going to vote on this amendment?

Mr. SHORT. Of course I am going to vote for it.

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

The Chair recognizes the gentleman from California [Mr. GEARHART] for 2 minutes.

Mr. GEARHART. Mr. Chairman, a lot of preposterous arguments have been advanced against the adoption of this amendment, and none of them more preposterous than the one which asserts that congressional ratification will kill the reciprocal trade agreement program. If legislative approval of the reciprocal trade agreement program will kill the program, then this program would have been killed long ago, not in these legislative halls, but in the legislative halls of the 19 of the 22 countries with which we have entered into agreements of this character.

I want to know—and the country wants to know—if their duly elected representatives are willing to declare by their vote that they—each of you—are less competent to pass on these reciprocal-trade agreements than are the legisators in France, in England, in Finland, in Sweden, or, perhaps, in Canada. It may be that the majority membership of this body may consider themselves inferior in capacity to the legislators of Haiti, Nicaragua, Guatamela, El Salvador, Turkey, or Switzerland, but, for myself, I deny that the Congress of the United States need bend the knee to any one of them.

Yet, Mr. Chairman, each of the nations I have referred to—they and 8 others, 19 in all—insisted that their legislative bodies consent to the agreements we have made with them before they should have legal effect. Why not the United States?

If the legislators of the countries with which we negotiate trade agreements are sufficiently competent to pass upon them, certainly we of the Congress of the United States are as well equipped to do the job as are they. So let us return to the Congress of the United States its constitutional prerogative, its right to make our laws. Let us give back to this great legislative group the power which the Constitution of the United States decrees shall be by this body exercised. If you do that you will have at least voted once during the period of your membership in this greatest of all deliberative assemblies in support of fundamental Americanism as expressed in the Constitution you once swore you would vindicate against all of its enemies, both foreign and domestic. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BUCK] for 4 minutes.

Mr. BUCK. Mr. Chairman, of course, the obvious answer to the remarks made by the gentleman from California [Mr. GEARHART] is that in all of these foreign governments the equivalent Cabinet officers, such as our Secretary of State, sits in the parliament itself and they present any program and the parliaments of those countries are only permitted to vote on what is presented to them. Naturally they ratify them as long as the particular cabinet is in power.

I think as far as the constitutional question, which was referred to by the gentleman from Wisconsin [Mr. HAWKS], is concerned, the gentleman from Tennessee [Mr. COOPER], in his discussion, made it clear that there is no ground for objecting to the procedure either on the ground of delegation of power or so-called treaty issues.

Now, let me talk frankly to all of you. I see those sitting on my left here who are unwilling to be convinced that this act is or could be constitutional, and nothing that anybody could say here today would make them think it was constitutional. Such opponents of this trade-agreement program are not sitting up nights to find ways to make it constitutional. You might just as well know that this amendment and the other amendments that are going to be offered, are offered with the purpose of destroying the Reciprocal Trade Agreements Act. The gentleman from New York [Mr. CROWTHER] in offering his amendment discussed logrolling and raised his hands in holy horror over the idea that there had ever been logrolling. There was submitted to our committee, and it will be found on page 2399 of the hearings, a brief by the Manufacturers' Association of Connecticut, in which they said:

> In other words, the people's representatives in the Senate of the United States have nothing to say about any part of the negotiation of these treaties. It has been said by many that with all of its evils, congressional tariff logrolling offers a greater opportunity for equitable adjustment than does the present system.

I want to call the attention of the Committee to the lobby investigation made by a subcommittee of the Senate Judiciary Committee of the Seventy-first Congress, beginning October 15, 1929, which developed the fact that during the consideration of the Tariff Act of 1930—and I would like some of my younger Republican friends who were not here at that time to listen to this—that a Senator from Connecticut employed a representative of this same Connecticut Manufacturers Association to assist him in his tariff work. He employed a gentleman by the name of Eyanson who was assistant to the president of that association at a salary of $10,000 a year, and he put him in his office, and this is what the Senator himself said in his own testimony before the Caraway committee:

> He (Eyanson) began working under my direction while still in Connecticut. * * * I was receiving hundreds of letters asking for increases here, there, and everywhere. * * * Those letters I sent to him, either in Connecticut or when he occupied a desk in my office, I turned them over to him and asked him * * * to see to it that proper answers were prepared to them for my signature.

If that was not an actual invasion of the legislative privileges of the House under the preceding method of writing out a tariff, I do not know what could be an invasion of the privileges of the House.

As a matter of fact, Mr. Eyanson did his work so well that the president of the Connecticut Manufacturers Association, a Mr. Hubbard, complimented him highly. He was subsequently appointed as the Senator's secretary and attended some of the executive sessions of the Committee on Finance.

Lest there be any question about the authenticity of this statement, I refer members of the Committee to the Senate lobby investigation, Seventy-first Congress, part I, pages 151 and 159.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. ROBERTSON] for 4 minutes to conclude the debate.

Mr. ROBERTSON. Mr. Chairman, the pending amendment to require congressional approval of reciprocal-trade agreements should be voted down.

Republicans who favor congressional action on all tariff changes repudiate every declaration of their party on the subject for a long period of time. The Republican Party wrote a flexible provision into the tariff law over 50 years ago and has been officially committed to the principle ever since. We have pointed out both in the hearings and during debate this week that the flexible provision, section 3 of the Tariff Act of 1890, as well as a similar provision in the Fordney-McCumber and Hawley-Smoot Tariff Acts were written by Republicans. No one has sought to deny, because the authorities on the subject are overwhelming, that the delegation of power to the President to act under the flexible provision of the tariff act was a constitutional delegation. In 1930, when the Democrats were fighting the excessive rates of the Hawley-Smoot bill and feared the delegation to the President to raise or lower those rates would result in still further increases which the Senate should have the privilege of passing on, Senator VANDENBERG said:

> It is a sham and delusion. It is politics. The infirmities which now attach to general tariff making would reattach to this perennial submission of the tariff to congressional surgery.

When the Republicans in the Senate raised the same issue in 1937 in connection with a continuation of the Trade Agreements Act of 1934, the Senate Finance Committee in its report to the Senate said:

> A proposal which, upon alleged grounds of furthering important legislative functions, renders those very legislative powers futile is so patently self-contradictory that all serious considerations of public policy call for its unqualified rejection.

Therefore, congressional approval of selected changes of tariff rates is not and never has been a Republican policy and since the adoption of the plank in the 1932 Chicago platform on the subject of reciprocal-trade agreements it has not been a Democratic policy.

On the subject of constitutionality, no advocate of that plan has a leg to stand on. In the first place, before such an argument can be advanced it must be admitted that trade agreements are treaties, but ever since 1840 our Supreme Court has held to the contrary. In the controlling case of *Holmes* v. *Jennison* (14 Peters 540) the Court at page 571 said:

> The words "agreement" or "compact" * * * cannot be said to mean the same thing with the word "treaty."

The Court then proceeded to cite authorities on the meanings attached to these words, and quoted from these authorities that

> A treaty * * * is a compact made with a view to the public welfare, by the superior power, either for perpetuity or for a considerable time.

And that—

> The compacts which have temporary matters for their object are called agreements, conventions, and pactions.

Certainly it cannot be maintained that the Trade Agreements Act authorizes agreements for perpetuity or for a considerable time in the history of a nation. They are temporary international arrangements necessitated by the "present emergency" referred to in the act.

That compacts not possessing the dignity of a treaty in the constitutional sense, which were authorized by Congress and negotiated and proclaimed by the President are possible, was recognized by the Supreme Court in the case of *B. Altman & Co.* v. *United States* (224 U. S. 583), involving an agreement made under the authority of section 3 of the Tariff Act of 1897. And in the recent case of *United States* v. *Curtiss-Wright* ((1936) 299 U. S. 304), the Supreme Court made it clear that the Federal Government has as an essential part of its sovereignty—

> The power to make such international agreements as do not constitute treaties in the constitutional sense.

In *Fields* v. *Clark* ((1892) 143 U. S. 649) the contention was made that section 3 of the Tariff Act of 1890 was un-

constitutional in that it delegated to the President treaty-making power. The Court disposed of this point by holding that the trade agreements authorized by the act were not treaties requiring ratification.

From the standpoint of practicality, it might be well to point out that under section 3 of the Tariff Act of 1897—the Dingley Act—which did not require congressional approval of the agreements negotiated thereunder, several trade agreements beneficial to our commerce were negotiated and remained in effect for a number of years, while under section 4 of that act, which required both Senate ratification and congressional approval, 12 treaties were negotiated, of which 11 failed of ratification and the twelfth was not sent to the Senate.

As a matter of fact, the Congress does, in effect, approve these agreements, because before they are negotiated the Congress lays down the policy to be followed and very definite limitations upon the exercise of the delegated powers. In the preparation and final negotiation of an agreement every precaution is taken to safeguard domestic interests to see that no injury is worked either on agriculture or industry. The contention made on this floor that the work of the Committee on Reciprocity Information is nothing but window dressing and that an affected party has no real hearing is what the French call la poudre aux yeux. The truth is the business is every member of that committee except one also serves on the interdepartmental trade-agreements committee, which makes the final recommendations. It was also developed in the hearings that before the position of the United States has been determined on a proposed agreement all affected departments, such as Agriculture, and other agencies are consulted and their approval secured. That has been the policy in the past, and we have been assured it will be the policy in the future. And the proof of the pudding is that when demands were made by Argentina for concessions that would result in substantial imports of competitive farm products our trade-agreements organization refused to go further with the negotiations.

The essential truth of the matter is that trade agreements are not only approved by Congress before but also after they are concluded. They are approved before they are concluded in the sense that Congress in the Trade Agreements Act authorizes their negotiation and lays down the policy and the limitations to which the negotiations must conform. They are approved after they are concluded, because Congress reviews every 3 years the operation of the act and the agreements concluded under this authority.

In 1937 the Congress knew what had been done under the delegated power, and in continuing the act for another 3 years voted its approval of what had been done. That, of course, is the issue and the sole issue before us today. Do we approve what has been done and do we approve this method of stimulating our foreign trade and unchoking the channels of international commerce, or do we favor the restrictive rates of the Hawley-Smoot tariff and wish to go back to that method of tariff making?

Let us not lose sight of that controlling issue, because if we do not we will then clearly see that the efforts to secure Senate ratification of these agreements is nothing short of a camouflaged effort to utterly destroy the program without meeting the issue head on.

I have great respect for my distinguished colleague the gentleman from Massachusetts [Mr. TREADWAY] and my eminent colleague the gentleman from New York [Mr. CROWTHER]. They do not engage in any mealymouthed "Yes, but" arguments; they do not hold out one hand of greeting to the program while with the other they stab it in the back. They helped to frame the Hawley-Smoot tariff and have no apologies to make for doing so. They believed in high protection in 1930 and they believe in it now. They honestly and sincerely believe that this program of reducing the rates of the Hawley-Smoot tariff is nothing short of free-trade rat poison, and I willingly concede their right to express their views. They are honorable and distinguished opponents who will face you toe to toe and fight you on that issue until the sun goes down. The fact that I do not personally agree with them and do not think a majority of the people of this Nation agree with them is neither here nor there. The important thing is the fact that they are willing to frankly face the issue involved.

My desire today is to get every Member of this House to be equally as frank and courageous. Every Member of this illustrious body knows the fate that befell McKinley's 12 trade agreements negotiated with painstaking care and making minor changes in tariff rates, ranging from 5 to 20 percent, but in no instance over 20 percent. A Senate overwhelmingly Republican strangled them to death and will strangle every future trade agreement to death if it contains a concession of any restrictive duty worth a tinker's damn to any consumer group.

And now a word in conclusion to my colleagues on the Democratic side: When you vote on this amendment do so with full recognition of the fact that if it be adopted the cables will carry to every chancellery in the world a message to the effect that the Congress of the United States has repudiated the American Minister of Foreign Affairs. There should not be a Democrat on this floor who would not gladly join with me in saying that in these troublesome and turbulent times, when false ideologies have taken the wings of the morning, when misleading propaganda is the handmaiden of selfish interests, and distrust and lack of confidence characterize our mental processes, we give thanks for a Christian gentleman like Cordell Hull, whose sincerity of purpose is beyond question, whose devotion to a cause is matched by his ability to serve it, and who in his willingness to subordinate personal ambition to public service can truthfully say:

And only the Master shall praise us, and only the Master shall blame;
And no one shall work for money, and no one shall work for fame;
But each for the joy of the working, and each, in his separate star,
Shall draw the thing as he sees it, for the god of things as they are.

[Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired, all time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. CROWTHER].

Mr. COOPER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DOUGHTON and Mr. CROWTHER.

The Committee divided, and the tellers reported that there were—ayes 144, noes 161.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Nebraska [Mr. COFFEE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska: Line 8, before the period insert a comma and the following: "except that no foreign-trade agreement entered into after the date of enactment of this joint resolution under such section 350 shall be effective unless concluded by and with the advice and consent of the Senate as in the case of treaties."

Mr. COFFEE of Nebraska. Mr. Chairman, this amendment simply provides that all future trade agreements must be ratified by the Senate. It is offered in the interest of good government and to perfect this legislation. It is in accord with the provisions of our Constitution which requires that all treaties with foreign nations must be ratified by the Senate. These trade agreements are in reality trade treaties, and as such should be ratified by the Senate.

From a practical standpoint this amendment will subject all future trade agreements to public scrutiny and legislative approval before they become effective. It will offer agriculture, labor, and industry an opportunity to be heard on the actual terms of the agreement by a legislative committee elected by and responsible to the people. It will give Members of Congress an opportunity to know what is in these agreements before they become effective and an opportunity to present their case before a legislative committee.

This amendment would recognize the desirability of negotiating such trade agreements as are mutually beneficial and

advantageous. It would permit the State Department to continue trade negotiations with foreign countries, but with the limitation that before any trade agreement could become effective its full text would be known and it would be subject to legislative approval.

This amendment will preserve such legislative prerogatives for our Government as are preserved by the legislative branch of most of the foreign governments with whom we have made trade agreements. In the 22 trade agreements that have been concluded by our State Department only 3 were put into effect without being subjected to legislative ratification by the respective foreign governments. The trade agreements with Cuba, Belgium, and Ecuador were the only ones that did not require legislative ratification by their own Governments. Why should not the Congress of the United States insist upon its legislative prerogatives as do the foreign countries with whom we negotiate these trade agreements? To those who contend that Senate ratification would kill the trade-agreement program, let me say that such statements indicate a lack of faith in our representative form of government. Who can say that the Senate would not ratify a trade agreement that was mutually beneficial and advantageous? I am convinced the Senate would not ratify a trade agreement that would sacrifice one group of citizens in this country for the benefit of another group, or for the benefit of some foreign government. To those who contend the House would be delegating its power to the Senate, let me say that Congress has already delegated under this act all of the power to the executive branch that my amendment would restore to the legislative branch. It rests the authority in the Senate to pass final judgment on these trade treaties as the Constitution provides. The House will lose nothing but will gain the right to know what is in these trade treaties before they become effective and an opportunity to be heard on the actual terms of the agreement by a duly elected legislative committee. This amendment will curb such trade agreements as encourage the importation of competitive agricultural commodities through lowered tariffs. It will be a protection to agriculture, labor, and industry. [Applause.]

[Here the gavel fell.]

Mr. COFFEE of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. COFFEE of Nebraska. Mr. Chairman, under this Reciprocal Trade Agreements Act Congress has delegated vast powers to the Executive to negotiate trade treaties, to reduce tariffs, and to extend the benefit of those concessions to every country in the world not discriminating against our trade. This power in turn has been delegated to the Secretary of State, who, because of the ramifications and complex nature of these trade agreements, has delegated that power to a secret committee which formulates the list of items and the tariff concessions the United States is to make in these agreements. The actual terms of these agreements are never made public until after the agreements are put into effect as far as the United States is concerned. Most of the countries with whom we deal reserve the right to ratify the agreements after looking them over.

The question before this House is whether you want to rest final authority in the secret committee and the executive branch or with those in the legislative branch who are elected by and responsible to the people. Neither this amendment nor the resolution itself affects the existing trade agreements. With the world in the turmoils of war it is more essential now than ever that the actual terms of these agreements be subject to public scrutiny and legislative approval, because these agreements will be binding upon the United States for years to come in the face of unpredictable events. Agriculture, labor, and industry are vitally interested in protecting the American market against competitive foreign imports from low-wage-standard countries. Remember, there is no way for an aggrieved party to get into court and test the validity of this law. Support this amendment and preserve the rights of the legislative branch of this Government. [Applause.]

Mr. ROBERTSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Nebraska [Mr. COFFEE], and I ask unanimous consent to proceed for 7 minutes in order that when we fix time we may start off evenly.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. ROBERTSON]?

Mr. MOTT. Mr. Chairman, I object.

Mr. ROBERTSON. Mr. Chairman, this amendment is offered by such a dear friend and colleague of mine on the Democratic side that I could not say anything harsh or unkind about him even if I wanted to. I will merely take his own words when he said the same arguments that were made on the subject of the Crowther amendment, which we have just voted down, applies to his amendment. I agree with that statement with this exception. There are some Members of the House who feel that if the Congress has to vote on each item of a tariff change the House is just as well equipped and prepared to exercise that legislative function as our distinguished colleagues at the other end of the Capitol.

He said that to vote against this amendment—and, of course, many of us are going to vote against it—signifies a lack of confidence in legislative processes. I told you what Senator VANDENBERG said about congressional surgery on tariff bills. President McKinley possibly did not record what he thought about Senate ratification. After he had painstakingly negotiated 12 agreements, 11 of which were submitted to the Senate, that body kept them there for 3 years and strangled them to death and did not let one single one of them come to a vote. We have learned something by bitter experience in this matter of Senate ratification and of congressional action on trade agreements.

I will not repeat the reason I gave for the defeat of the Crowther amendment. As the gentleman from Nebraska has said they fully apply to his amendment. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

Mr. SCHAFER of Wisconsin. I object.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 20 minutes.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 135, noes 101.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. SCHAFER of Wisconsin to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 162, noes 134.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED], in favor of the amendment.

Mr. REED of New York. Mr. Chairman, I have admired very much the courage of two men on the Democratic side of the House, because I know they are sincere and I know they are endeavoring to perform a duty to their people at home. I may say that under the present set-up it shows splendid courage on their part. I want to talk to you for a moment because I admire that type of independence and patriotism. There are a great many comparatively new Members on the Democratic side, and I want to give you a little history.

As you know, we have States with the two-party system and we have States with the one-party system. Time and again I have seen men from the one-party States, the leaders, come down into the Well of this House and literally lash their Democratic colleagues from the two-party States and brutally drive them into the party fold against their convictions. Where are those men now? At the last election 80 of them

who surrendered under the party lash disappeared from your side of the House, but the same old fellows who used the lash on those former Members are still here from the one-party States.

I think I know the convictions of you men who dare to do your duty. Many of you men who are shrinking under the whip know what your people back home would like to have you do, and you know that in justice to those whom you represent you ought to go along with these two men who have taken the floor to protect their constituents, and your constituents should have your vote.

Little will they care when it is all over, when the election is over next time, and you men who submit to this so-called party regularity from the one-party States are sunk without a trace by an indignant public. Just remember that.

Mr. FITZPATRICK and Mr. BOEHNE rose.

Mr. REED of New York. I cannot yield; I have only a few minutes.

There should be an opportunity in this Congress, either in both branches or in one, where the conscience and the heart of America and the intelligence of America can find a place to be heard when they are injured. Under this one-man power they have no such opportunity.

I have not heard quite so much bragging on the Democratic side of the House in regard to exports lately. Why are you not in here talking about exports? I will tell you why, and you will hear more from this just a little bit later. You know where the heart of this country is today. It is with the people who are fighting for their liberty. You wonder, perhaps, why it is that the Finlanders, over there in that tiny country, can fight against the Russian hordes and hold their ground. It is not strange in the light of history, not at all, because the men who have followed the line of battle in all wars tell us that in his dying hour the soldier unclasps his weapon and reaches for an inner pocket to touch some little keepsake of his wife or mother. This shows they are not fighting because of any abstract question of foreign trade. It is love of God and home and native land that has entered the soul of Finland making their arms invincible. Do not forget this fact as you arm Russia with your exports. I want to say to you Democrats that if you were to bring in your export figures and show how you are arming Russia against Finland, all the so-called benefits you claim for your trade agreements would fade into insignificance. I will say to you, and I will show you later on the floor of this House, that right now, in the year of our Lord 1940, the export to Russia of munitions is a national disgrace. It never could happen if the people of this country had a place to register their mind, their heart, and their conscience. Instead of that, by the close connection between your recent so-called Neutrality Act, your trade agreements, and your gold policy, you have implemented all of them in the interest of Russia as against Finland. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, in reply to the distinguished gentleman from Nebraska, who bases his argument on the fact that the parliaments of foreign governments ratify these agreements, I simply say that we are not running foreign nations, and that if we run our own we will each be doing a full-sized man's job and rise to the stature of statesmen. How many, if any, of the other parties to these agreements have written constitutions I do not know. We have. Under it, we could require ratification by Congress, but not by either half of Congress. I do not know how the 22 governments who joined us in making these agreements ratified them. They may have done so by two legislative bodies, by one, or by none. But I do know that our Constitution binds us to require ratification by both bodies of our Congress, or by neither.

May I point out to the distinguished gentleman from New York [Mr. REED] that the great automotive industry, predominantly Republican, is unanimously favoring this program? No wonder he is appealing to the Democrats with that specious plea for loyalty to principle, for he can get no comfort from the majority of his own party, and certainly not from ours. And to what principle would he have us be loyal? In supporting the Reciprocal Trade Agreements Act and extending it we Democrats are being loyal to our own principles and platform promises.

Surely the gentleman cannot expect us to play traitor to our own party and to the best interest of the American people by espousing the Republican principle of plunder by high tariffs.

However, I raise my voice today, not so much in answer to what has been said, as in a plea for recollection of what has been left unsaid. The Crowther amendment was constitutional. Whether to adopt it, or not, was merely a question of policy. If we have the right to delegate a part of our taxing power to the Executive, then we certainly have the power to restrict such delegation, by making his conduct thereunder subject to the approval of Congress. But when you seek, as this amendment does, to strip the House of all its legislative power, when you seek by this amendment to abdicate in favor of another body despite the fact that the Constitution states that the Congress of the United States shall be composed of a Senate and House of Representatives, then you do violence to every concept of constitutional law. By our oaths of office we are bound to uphold, maintain, and defend the Constitution. This amendment would, within the field of its operation, repeal article II of the Constitution and change the form of the legislative branch of our Government.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am pleased to yield to the distinguished author of the amendment, of course.

Mr. COFFEE of Nebraska. The gentleman says the House will be abdicating its power. Is it not a fact that under this bill all power has already been delegated to the executive branch?

Mr. HOBBS. Certainly not.

Mr. COFFEE of Nebraska. My amendment would regain part of that power.

Mr. HOBBS. Certainly not. That is a very specious plea, unworthy of the gentleman. We are not abdicating our power. We are not abdicating one whit of it. We are exercising our power, by authorizing one who is in a position to do the job much better than we, to attend to the details of a matter the purpose, policy, and limits of which we have fixed by appropriate legislation. Is it abdication of my power to buy a cigar if I send a page for it, specifying price limits, and so forth?

As you respect your oaths and your high duty to legislate wisely, I adjure you to listen with open minds. The Senate of the United States is a part of the Congress. Only because of a specific limitation upon the Executive power as to the making of treaties and appointments is it possible for them to act without us on any matter of the kind here proposed. Neither we nor they have any power not granted by the Constitution. No such power as this amendment seeks to exercise is granted to us by the Constitution. Hence, we have no power nor right to adopt it. What does this amendment provide? Simply that one body of the Congress shall exercise all legislative power with respect to the approval of these agreements. The Constitution, to the contrary, says:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

All legislative powers are vested in both bodies; not in either.

These reciprocal-trade agreements are not treaties. (Moore's Digest of International Law, vol. V, pp. 210–221.) Therefore they do not come within the exception that authorizes the Senate to act without House concurrence in ratifying treaties. The distinction between "treaties" and "agreements," postal conventions, protocols, and so on, has been recognized and proclaimed by the Supreme Court for more than a century. Therefore, if you vote to adopt this

amendment, I solemnly warn you to have a care lest you violate your oath of office as a Member of this body. You will be voting to abdicate all your legislative power to the other body and to make the Congress unicameral, in this regard, instead of what the Constitution says it must be.

Mr. McCORMACK and Mr. BOLLES rose.

Mr. HOBBS. I yield to the distinguished gentleman from Massachusetts, a member of the committee.

Mr. McCORMACK. The Supreme Court in the Vermont case also drew a distinction between an agreement and a treaty.

Mr. HOBBS. Certainly; the Supreme Court has done so in a dozen cases, of which I cited the most notable in my argument on Wednesday. Not only that, but every respectable authority on the subject draws the same contrast.

If the reciprocal-trade agreements were treaties, then this amendment would be unnecessary, for the Constitution outlaws any treaty made without the advice and consent of the Senate.

But these agreements are not treaties, and, therefore, this amendment is necessary if we would forget our oaths, pour contempt upon the Constitution, and make a vain attempt to abdicate our legislative power. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Florida. Mr. Chairman, I am not here to represent the automotive industry, neither am I here to represent the Republican Party, and neither do I now represent the Democratic Party. I am here representing to the best of my ability south Florida. [Applause.]

The day after I took my oath as a Member of this body, I appeared before the Committee for Reciprocity Information at the time they were considering modification of the Cuban agreement and offered concrete suggestions to take care of the Florida situation. The statement that I made at that time appears of record in the printed hearings held by the Ways and Means Committee recently. Needless to say, the Committee for Reciprocity Information ignored the suggestions.

You ask, What is the Florida situation with reference to the reciprocal trade agreement program? Referring to the Cuban reciprocal-trade agreement, we find the following situation: When this program was put into effect in 1934 duty on lima beans was reduced 50 percent. As a result, Florida has practically been put out of the lima-bean business. Duty on tomatoes was reduced 25 percent. The result is found in the statement made by a Department of Agriculture release in 1937, in which it was said:

> Imports of tomatoes from Cuba increased sharply since the agreement became effective.

The year preceding the Cuban trade agreement 1,446 carloads of tomatoes were imported into this country from Cuba. The year following the agreement 2,082 carloads of tomatoes were imported from Cuba. Thus Florida's competition on this one item was increased 33⅓ percent. Duties on potatoes were reduced 50 percent and imports from Cuba increased from 2 carloads of potatoes to 61 carloads, taking the figures for the year preceding and the year following the effective date of the Cuban agreement. This is an increase of over 3,000 percent. The duty on peppers was reduced 50 percent, resulting in an increased import of Cuban peppers amounting to nearly 140 percent. Likewise the duty on cucumbers was reduced 50 percent and Cuban imports in this commodity increased about 80 percent. And so on down the line.

Another example has to do with avocados. Florida can produce the finest avocados in the world, but under the Cuban reciprocal-trade agreement we are placed in direct competition with the Cuban product, which is produced with peon labor. I will admit that imports of Cuban avocados are restricted to certain months of the year. What actually happens, however, is that during the last months in which Cuban avocados are allowed to come in at a reduced tariff they ship a volume much in excess of that which the market demands. These avocados are placed in cold storage and sold on the American market during the following months in competition with the Florida product. The Persian lime has the same history.

Florida can grow and has grown pineapples commercially and profitably, and about the only thing we need from Cuba under the reciprocal-trade program is pineapple slips from which to grow the Florida pineapple. Under the reciprocal-trade program we are supposed to be able to obtain Cuban pineapple slips without any difficulty. However, such is not the case. When Florida growers place orders in Cuba for these pineapple slips, Cuban authorities immediately admit that we have a right under the treaty to purchase these slips in Cuba. However, they place so many restrictions by means of inspection regulations that in each instance the slips have rotted before we can get them to Florida. In one instance a shipment of these slips was already on a ship destined for Florida, but officials of the Cuban agricultural department would not allow the ship to sail until they had made an inspection of the slips. They sent down to the ship two inspectors with instructions to make a minute inspection of each slip. There were 25,000 slips on this ship, and these officials set out to inspect each slip separately, taking some 10 or 15 minutes to each slip, in that connection. It could easily be seen that these slips would be completely rotted before the ship could be allowed to sail. That is an example of just how reciprocal our Cuban friends are.

I have carefully read the statements made by the Secretary of State in connection with the extension of this program, and I have yet to find where he has justified the reductions of tariff on agricultural products shipped into this country in competition with American agricultural products.

During the Republican administration we heard a lot about "dollar diplomacy," and we still have this type of diplomacy in charge of our foreign affairs. This administration seems to be more interested in protecting foreign producers and Americans who raise products in foreign countries by the exploitation of peon labor than in the protection of American farmers. In my humble opinion, all we are doing by this reciprocal trade agreements program in giving the State Department the entire American market to divide up as they see fit among foreign countries. On the other hand, as each part of the American market is allotted to foreign countries, the Secretary of Agriculture is instructed to restrict domestic crop production, which is necessary only because the American market, the best market on earth, has been granted to foreign interests.

I for one urge that this inequitable arrangement be stopped once and for all, and for the reason that the State Department and its Committee for Reciprocity Information and the management of this trade program have completely ignored American agricultural interests and have continued to reduce tariffs on agricultural imports. I believe that this Congress should at least turn toward the Constitution and restore the treaty powers of the Senate in order that American agricultural interests can at least have some voice in this so-called reciprocal-trade program.

I would like to remind the membership of this House that it is utterly impossible to benefit the United States as a whole and injure one of its States. I therefore support this amendment and urge its adoption. [Applause.]

Mr. McCORMACK. Mr. Chairman, if this amendment is adopted, there is no necessity for the passage of any bill because this amendment would bring about a legislative situation giving the President only the power that is now possessed by the Chief Executive. The President would not need this legislation. Authority now vests in the Chief Executive of the United States to make agreements or treaties of this nature with foreign countries without any legislative authority or action and to submit them to the United States Senate.

It is rather surprising to me to note that this amendment comes from a Democrat. This amendment should be properly characterized, coming from a Democrat, as the "kiss of death."

Mr. FITZPATRICK and Mr. CASE of South Dakota rose.

Mr. McCORMACK. I yield to the gentleman from New York, briefly.

Mr. FITZPATRICK. In 1930, when the Smoot-Hawley tariff bill was being considered, there could not be any amendment offered by a Democrat because they brought that bill in under a gag rule prohibiting any amendments from being offered.

Mr. McCORMACK. Yes. The gentleman from Nebraska represents a cattle district. The cattle interests of this country are the last group that ought to object to the benefits they have obtained. The price of cattle is now above parity.

Mr. COFFEE of Nebraska and Mr. MURRAY rose.

Mr. McCORMACK. I will yield to the gentleman from Nebraska, because I have referred to him in my remarks.

Mr. COFFEE of Nebraska. The gentleman realizes that we imported practically twice as many cattle last year as the year before and we are fearful of the future with the proposed agreement with the Argentine in the offing.

Mr. McCORMACK. The gentleman is actuated by fear and does not realize that trade is a two-way proposition. The trouble with the gentleman from Nebraska and those who feel as he does is that they think other countries can buy from us all the time and that we do not have to buy from them.

Mr. GROSS. Mr. Chairman, will the gentleman yield for a question?

Mr. McCORMACK. Not now.

Mr. GROSS. Will not the gentleman yield to a farmer? [Laughter.]

Mr. McCORMACK. I thought the gentleman was a Representative in Congress. [Laughter.]

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield to a man who yielded to him?

Mr. McCORMACK. Yes.

Mr. CASE of South Dakota. May I just observe——

Mr. McCORMACK. I yielded for a question and not for an observation.

Mr. CASE of South Dakota. Does the gentleman recognize the fact that the offering of this amendment by a Democrat from Nebraska proves the point I was making and to which the gentleman objected when I was speaking?

Mr. McCORMACK. It would be rather difficult for me to agree to anything that the gentleman might state on a political issue of this kind. Notice I limit it very sharply to "a political issue of this kind."

Mr. GROSS. Mr. Chairman, will the gentleman yield to me now?

Mr. McCORMACK. To a Member of Congress, not to a farmer, yes [laughter]; and I am one of the best friends the farmers have, I think. [Applause.] Did the gentleman vote for parity payments?

Mr. GROSS. No.

Mr. McCORMACK. I did. [Applause.] Did the gentleman vote for loans to the tenant farmers?

Mr. GROSS. Will the gentleman tell us one benefit that we cattle feeders have received from this program?

Mr. McCORMACK. The gentleman is simply giving lip service, and that is all the farmers get from the gentleman from Pennsylvania.

Let us now review, briefly, just what is the situation. This is an emergency measure; this is a temporary measure.

Under the Fordney-McCumber Act, passed by a Republican Congress, the average rate of duty was 38.5 percent. Under the Smoot-Hawley bill the average rate increased from 38.5 to 52.6 percent. This sharp and drastic increase created barriers, disorganized the economic life of America, and brought about repercussions in other countries, as a result of which we had from 16,000,000 to 18,000,000 persons unemployed in 1933. The Hawley-Smoot bill contributed greatly to the economic conflagration of 1929.

Under the Trade Agreements Act, and the agreements made thereunder, the average tariff rate has been reduced to 39.3 percent. Under the trade agreements we are still eight-tenths of 1 percent over the average of the Fordney-McCumber Act.

Now, the purpose of the Trade Agreements Act was to meet an emergency situation, an emergency situation created chiefly as a result of the passage of the Hawley-Smoot Act, an act passed by a Republican Congress. President Hoover recommended a limited revision of the tariff for the purpose of aiding agriculture, and out of that recommendation to Congress, through logrolling on the part of the Republican Party and selfishly interested business groups, came the most vicious, the most iniquitous tariff act ever passed by the Congress, increasing the average under the Fordney-McCumber Act from 38.5 to 52.6 percent. The pending amendment should be defeated. [Applause.]

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer the following motion, which I send to the desk.

The Clerk read as follows:

Mr. SCHAFER of Wisconsin moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. COOPER. Mr. Chairman, I make the point of order against the motion that it is dilatory.

The CHAIRMAN. The gentleman from Tennessee makes the point of order against the motion that it is dilatory. A motion to strike out the enacting clause was made and acted upon heretofore. No change in the bill has been made since that motion. The point of order is sustained.

The question is on the amendment of the gentleman from Nebraska [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. COFFEE) there were—ayes 120, noes 135.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. COFFEE of Nebraska and Mr. DOUGHTON to act as tellers.

The Committee again divided, and the tellers reported—ayes 157, noes 177.

So the amendment was rejected.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer the following amendment, which I send to the desk.

The CHAIRMAN. The Chair will first recognize the committee members to offer amendments. There are 16 amendments pending at present at the desk. Five of those amendments have been offered by committee members, the gentleman from New York [Mr. CROWTHER], the gentleman from Minnesota [Mr. KNUTSON], the gentleman from New York [Mr. REED], the gentleman from Michigan [Mr. WOODRUFF], and the gentleman from Kansas [Mr. CARLSON]. There are other amendments pending, making the total 16. The Chair will first recognize members of the committee to offer amendments.

Mr. CROWTHER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CROWTHER: Line 8, before the period, insert a colon and the following: "*Provided*, That so much of said section 350 as suspends the application of section 516 (b) of the Tariff Act of 1930 (relating to appeal or protest by American producers) to any article with respect to which such foreign trade agreements have been concluded, or to any provisions of such foreign trade agreements, is hereby repealed."

Mr. CROWTHER. Mr. Chairman, I shall not consume the 5 minutes to which I am entitled on this amendment. I do not think it is necessary to make more than a short statement in regard to it.

Mr. COOPER. Mr. Chairman, will the gentleman yield to me in order to get some agreement as to time?

Mr. CROWTHER. I yield. What does the gentleman suggest?

Mr. COOPER. That we agree on 10 minutes on a side.

Mr. CROWTHER. If there are 16 amendments pending, we will have to come to some such agreement.

Mr. MOTT. Mr. Chairman, will the gentleman yield? In the gentleman's opinion is it necessary to come to an agreement whereby we conclude today?

Mr. CROWTHER. Oh, yes. It is the intention to finish the bill today.

Mr. MOTT. It may be the intention, but is there any reason, if the debate cannot be concluded, why the matter cannot go over until next week?

Mr. CROWTHER. Oh, no. I think the agreement is that the bill is to be finished today. That is, the agreement on the part of the members of the committee at least. The majority had the matter of planning in charge, and I think that was the understanding with the majority leader.

Mr. DOUGHTON. Mr. Chairman, I talked with the gentleman from Massachusetts [Mr. TREADWAY] and I suppose that he conferred with the minority Members.

Mr. MOTT. As far as I know there was no conference with the minority Members.

Mr. COOPER. That is of the committee.

Mr. MOTT. Of the committee, yes; but I don't think the committee should have the entire say on a matter of this importance.

Mr. DOUGHTON. I supposed that the gentleman from Massachusetts had conferred with the members of the committee on his side. It is proposed that we should vote on this bill today.

Mr. MOTT. Perhaps with the members of the committee, but not with the general membership.

Mr. CROWTHER. Mr. Chairman, I cannot yield further.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield so that I may make a statement?

Mr. CROWTHER. Yes.

Mr. RAYBURN. It is the hope and the intention of the majority to give time on each one of these amendments. Therefore the gentleman from Tennessee has suggested time on this amendment. There are four others offered by the members of the committee on the desk at the present time. If 20 minutes is given to each of those amendments, that will run into considerable time. Other Members of the minority, as I understand it, have amendments that they would like to dispose of also. We do intend to finish this bill before adjournment today, and reasonable debate on each of these amendments, of course, can be had if the minority desires it.

In order to complete the bill today at some time, debate on the entire bill must be closed. We do not want to do that by a vote, but it can be done. Having a desire to be entirely fair with the minority, that they may offer these amendments, and especially the members of the Ways and Means Committee, this liberal request has been made by the gentleman from Tennessee for 20 minutes of debate on the amendment that the author of the amendment said he would use only a few minutes to discuss.

Mr. JENKINS of Ohio. I thought 10 minutes was all you asked.

Mr. COOPER. Ten minutes on a side; that is, 20 minutes altogether. The gentleman knows that this is a highly technical matter. I doubt whether anybody except members of the committee would be sufficiently familiar with it to want to discuss it. That is the reason I thought we could discuss this in 10 minutes on a side.

I ask unanimous consent, Mr. Chairman, that the debate on the pending amendment and all amendments thereto close in 20 minutes, including the time of the gentleman from New York [Mr. CROWTHER].

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

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. CROWTHER] is recognized.

Mr. CROWTHER. Mr. Chairman, of course, I think this amendment ought to be given more consideration than could possibly be given it during the period of 10 minutes on a side. It is complicated, but it is extremely important. We have at least two members on our side of the Committee who have made a study of this. They are both lawyers of very considerable ability and I think they could make a splendid presentation of their side of the case. No doubt there are Members on the majority side who think they could do equally as well. However, I shall not take very much time.

I shall read just a short statement from the minority report that I think will convey the necessary information to the Members of the House. Regarding this section 516 (b) of the Tariff Act, the minority report says:

> The effect of this provision, insofar as it refers to section 516 (b), is to take away from the American producers the right, which they otherwise would have under that section, to litigate matters arising out of trade treaties, including the question of their constitutionality.

In other words, he cannot take the initial step into court in order to adjudicate an appeal of this character.

> This particular provision of the act was inserted on the floor of the Senate at the instance of the State Department. It was not considered either by the Ways and Means Committee or by the Senate Finance Committee. The chairman of the Finance Committee, Senator HARRISON, offered the amendment, and it was called to his attention that its effect would be to divest American producers of their right to litigate matters arising out of treaties. His reply was:
>
> "That is what we intend to do, since we want no interference or delay from domestic interests."

Now, it seems to me that is pretty high-handed procedure. It seems to me that it is a high-handed denial of constitutional rights that cannot be defended. It amounts to a tacit confession on the part of those responsible for drafting the act that it is unconstitutional and could not successfully pass a court test if it was brought before a court.

Our report says, "even by the Supreme Court as now constituted."

I think you understand thoroughly what this amendment is without very much further debate. It was adopted because every procedure was used in order to stop anything that they thought could interfere with their activities on this new program. So they just wiped out 516 (b), insofar as it concerns commodities that were taken up in connection with trade treaties. It leaves the American producer and wholesaler without an opportunity to make complaint as against the classification or the rate of duty to be paid. The retention of section 516 (b) is a vital necessity in this bill.

[Here the gavel fell.]

Mr. COOPER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the question presented by the pending amendment with respect to section 516 (b) of the Tariff Act is a matter to which consideration of the Ways and Means Committee has been given for some time. It should be borne in mind that no person has any vested right in any tariff rate. That has been held repeatedly by the courts. Nobody has any vested right in a tariff rate.

Now, this section 516 (b) simply provided a method whereby prolonged litigation could be carried on in the courts, the customs courts, by questions being raised as to the classification of various articles and everything of that kind. Now, this is by no means a privilege of long standing that this benefit provided under section 516 (b) has existed. It came into existence under the Tariff Act of 1922 and was continued under the Tariff Act of 1930. The main purpose to which it has been applied is simply to harass importers by raising various types and kinds of questions as to the classification of articles. It simply resulted in long, drawn-out delays, proceedings in the customs courts. The only purpose for having the provision that now exists in the Reciprocal Trade Agreements Act is to make it possible for prompt action to be taken. In other words, if this provision continued as existed in the 1922 and the 1930 Tariff Acts, then by raising all kinds of questions as to the classification of articles it could be prolonged and delayed to such great extent that the trade agreement would be of no effect.

This provision of the present Trade Agreement Act was included for the purpose of making it possible to expedite consideration of these matters and not have this long, drawn-out delay that had been experienced under this section 516 (b) of the Tariff Act.

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

Mr. COOPER. I yield briefly.

Mr. MOTT. Does not the gentleman realize that the main reason we want this section 516 restored is so that we may be permitted to test the constitutionality of this act?

Mr. COOPER. Not at all.

Mr. MOTT. Well, that is the reason I want it restored and that is the reason why everybody on this side of the aisle wants it restored.

Mr. COOPER. The gentleman would not support this bill if the amendment were adopted.

Mr. MOTT. Certainly I would not.

Mr. COOPER. Of course not.

Mr. MOTT. But if this amendment is adopted it will at least make the bill a little less objectionable than it is now.

Mr. COOPER. Does the gentleman approve the Smoot-Hawley Tariff Act?

Mr. MOTT. I do not know of any Member either on the Republican or on the Democratic side, including the gentleman who is addressing me, who is in favor of reducing any particular item in that tariff bill.

Mr. COOPER. I am certainly opposed to the Smoot-Hawley Act and voted against it when it passed the House. I asked the gentleman a simple question—if he favored the Smoot-Hawley Tariff Act?

Mr. MOTT. And I gave the gentleman a simple answer. I think there are no items in the Smoot-Hawley Tariff Act that I would vote to reduce; I think there are none that the gentleman from Tennessee would vote to reduce.

Mr. COOPER. Will the gentleman answer the question? Does the gentleman favor the Smoot-Hawley Tariff Act?

Mr. MOTT. I have just answered the question.

Mr. COOPER. The gentleman favors it, then, does he?

Mr. MOTT. I said there was——

Mr. COOPER. Then why did the gentleman defeat Mr. Hawley, coauthor of the act, when the gentleman came to Congress? [Applause.]

Mr. MOTT. That is a rather broad question. I answered the gentleman's other question directly, however, by saying that there is no item in the Smoot-Hawley tariff that I would want reduced.

Mr. COOPER. It is interesting to note, however, that the gentleman from Oregon defeated the coauthor of the Hawley-Smoot Act in the very next campaign.

Mr. MOTT. That is beside the point.

Mr. COOPER. I do not yield further.

Mr. Chairman, the whole purpose of the Reciprocal Trade Agreements Act was that of making it possible for these proceedings to be expedited. This amendment could only have the effect of greatly hampering and hamstringing the reciprocal trade agreements program and, of course, the amendment should be voted down. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized.

Mr. VORYS of Ohio. Mr. Chairman, I was prevented by the gag rule from presenting my views, so I take this opportunity to extend them.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

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

There was no objection.

Mr. VORYS of Ohio. Mr. Chairman, this amendment would restore the constitutional right of a citizen to protect his rights in court under this trade-treaty program. This amendment, providing for judicial review for these agreements, with the two amendments just voted down, which would have provided for congressional approval of the treaties, would have made the trade program constitutional.

I favor the Republican reciprocal-trade principle of granting concessions by constitutional means to the products of other lands that we need and cannot produce ourselves.

The Hull program is wrong in principle and has failed in practice. A tariff is a tax. Under the Constitution, Congress has the taxing power and the Senate must ratify treaties. The Hull program depends upon delegating the tariff-treaty power to anonymous agents for secret negotiations. This secret logrolling is said to be necessary to prevent congressional logrolling. If Congress cannot be trusted to raise or lower taxes or to approve treaties, then our democracy is a failure and Hitler and Stalin are right. I am not ready to make that defeatist admission, which is squarely involved in extending this power.

The Hull program has failed of its professed objectives. It has not restored foreign trade or brought world peace. Through the statistical smoke screen covering up these failures one fact is clear—the only way our exports can be made to show a favorable balance is by including our war trade. The concessions we have made in the 21 trade treaties are available to 64 nations under our most-favored-nation treaties, and we have thus used up our bargaining power, while our best customers are repudiating the concessions they made to us by invoking the wartime escape clause. It is perfectly clear that we cannot hope to profit by this program while the war goes on. During this period we should set up constitutional machinery for making trade treaties and prepare for the flood of imports that will come with peace, when we will be the most-favored dumping ground of the world.

The Hull theorists say that the danger of requiring congressional approval is that Congressmen will want to have the local interests of individual constituents considered. Why not? After all, government is good or bad only as it affects individuals where they live. The whole machinery of a democracy is to insure that the rights of the individual are considered in determining the policy of the state. Of the 21 nations with which we have made treaties, 18 have required legislative approval before or after the treaties went into effect. Perhaps this explains why other nations have gotten the best of the trade in our trade program. Our country would likewise benefit practically by returning to constitutional democratic principles in taxation and treaty making.

The CHAIRMAN. The gentleman from Ohio [Mr. JENKINS] is recognized for 4 minutes.

Mr. JENKINS of Ohio. Mr. Chairman——

Mr. RICH. Mr. Chairman, will the gentleman yield to permit an observation?

Mr. JENKINS of Ohio. I yield.

Mr. RICH. When the gentleman from Tennessee [Mr. COOPER] was ridiculing the Hawley-Smoot tariff he failed to recognize the fact that it protected American industry and labor from the cheaply produced merchandise of foreign countries, that it protected the jobs in which American labor is interested. Those Democrats who vote for a continuance of the reciprocal trade agreement program will find out that the people back home will not sanction the importation into this country of merchandise and agricultural products that should be manufactured and produced by our own industry and agriculture. The saving of that portion of the American market for Americans would create an untold number of jobs for the unemployed. Also the Congress should function and not let the President and Secretary of State do your thinking for you. Do not be a rubber stamp any longer.

Mr. JENKINS of Ohio. Mr. Chairman, I would like to have the attention of the Members on the majority side for I want them to know the facts. When the facts are known the argument made by the splendid gentleman from Tennessee will fall to pieces. Let me tell you why I say this.

When section 516 was first adopted and put into effect a great many complaints were filed and it did delay procedure. How did it delay procedure? It delayed procedure in this way: A lot of imported goods piled up in the warehouses. But, Mr. Chairman, that was all changed and section 516 (b) as it stood at the time when it was taken out did not have any of the objections recited by the gentleman from Tennessee, and did not cause delay. Let me show you why. If a person protested under the provisions of section 516 (b), an importer or producer of wool, let us say, that did not stop further importations of wool because under section 516 (b) the change did not go into effect as far as goods in transit were concerned until the court had decided it.

In other words the filing of a suit or legal objection concerning a rate or duty did not delay or obstruct trade for the duty if changed by the decision of the court would not go into effect until after the decision. That amendment to the law worked just as easily as could be, and there can be absolutely no argument in that respect. Now, while I have a few minutes more let me reiterate what the gentleman from New York [Mr. CROWTHER] said. You may talk

against this amendment lightly, but after all is said and done you have got to come to the conclusion that the bill has been fearfully and wonderfully made.

When the original draft of this bill was before the Ways and Means Committee in 1934 nothing was said about taking out 516 (b). This house has never voted to take out this provision except as it came back from the Senate. You may ask, what is the difference? The difference is just this, that there is not now on any statute book any law by which you can contest one of these agreements. This comes very little short of being a shame and a disgrace, that we should pass a bill under such circumstances as that the House could not have had a chance to discuss it and that it cannot be contested in court. If any of you doubt that rise on the floor and dispute it. Yes; I see one gentleman hold up his hand. The gentleman knows he cannot contest it. He knows that it has never been contested. Now, let me prove that you cannot contest it. This program has been in effect 6 years. Why has it not been contested? Now, answer me that. Nobody answers.

Mr. COOPER. It has not been tried.

Mr. JENKINS of Ohio. Yes; one man tried it and when he took his case to court the court said to him: "Why, we cannot entertain jurisdiction. The Congress has taken jurisdiction away from us in the repeal of section 516 (b)." That is when you had your chance; and, listen to me, my friends, when the time comes that the people have wakened up to this somebody is going to have to answer for it. How did it pass on the floor of the Senate? Why, Senator HARRISON offered what appeared to be a little perfecting amendment. I do not know that he understood it. It had come up from the State Department with instructions to put it through. Whenever you go down there before that group who are supposed to make these agreements you cannot see the man or men who makes these agreements. I will ask anyone on this floor if he knows any man down in the State Department who has been participating on any one of these contracts? You cannot name a single man. Just think of that. We refer this important task in such a way as that we do not know who will assume it. Do you not think that this is a terrible situation? I say it is a sheer disgrace that nobody in this House can stand up and name one single man who passes on these contracts down in the State Department. Why do I make that statement? Because the Assistant Secretary of State came up and said, "We cannot afford to let it be known." Why can they not afford to let it be known? Things have come to a sorry pass when we pass a law surrendering our authority to legislate and not know to whom we surrender it, and when we repeal the law that enabled an aggrieved citizen to get into court, so that nobody could contest it or test its constitutionality, I charge here and now that this law is unconstitutional and that there is no practical way to contest it or to test its constitutionality. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I recall that on Wednesday the gentleman from Ohio [Mr. JENKINS] and I had quite a discourse on this same subject, which will be found, if any of you have time to read it before we vote, on page 1780 of the RECORD. At that time I set out the entire argument in opposition to the theory that section 516 (b) gave anybody any legal rights.

In the first place, I say without qualification that, if anybody has any legal rights to be adjudicated, there are always recognized remedies in our courts. May I say further that sections 514 and 515 of the tariff act give full protection to any importer against illegal charges. On the other hand, section 516 (b) gave a novel remedy by permitting domestic producers to intervene between the United States Government and the importer where no legal rights of the domestic producer were involved. So there was no fundamental right taken away by the Trade Agreements Act. It was a very special privilege, and if any Member questions that, I will read from *Reed & Barton* v. *United States* (63 Treasury Decisions, 941), which stated, among other things:

> Section 516 (b) is a grant of an extraordinary privilege.

Not only that, it was a radical departure from proceedings and precedents which had been established by the courts and Congress for over a century, and it is not necessary to protect anyone's legal rights.

These can be protected under sections 514 and 515. The Supreme Court said in the case of *Norwegian Nitrogen Co.* v. *United States* (288 U. S. 294), "No one has a legal right to the maintenance of an existing rate of duty." So much for the nature of the so-called rights that the gentlemen want to protect under section 516 (b).

A word might be said about whether 516 (b) should be applicable to trade agreements that are entered into. Anyone who knows anything about customs matters is familiar with the fact that section 516 (b) was a source of great embarrassment to the American businessman attempting to carry on a legitimate import business. The filing of a single protest under section 516 (b) might result in tying up the entry of thousands of items at all ports of entry before any decision could be reached, even though the collector and the Secretary of the Treasury decided the protest was groundless. How far could we get with the negotiation of trade agreements with foreign countries if they knew that after we had granted any sort of concession their importers would be subject to the delay that was incident to the abuse of section 516 (b) which, as I have pointed out, is purely a special privilege, an extraordinary innovation in our law. Whether it was done in the House or Senate, it is no wonder that it has been removed from consideration in connection with trade agreements if we wanted to get any trade agreements.

Mr. Chairman, this amendment is probably the most ridiculous of all that have been offered today because it is just simply another one of those amendments designed to impede the usefulness and the progress of our Trade Agreements Act, if extended. They cannot kill the resolution with this amendment but they can certainly hamper successful negotiations until after every person in the United States, whether interested or not, might intervene between the Government and the importer himself in these cases. Therefore, Mr. Chairman, I say to all Members on both sides of the aisle regardless of how they may feel about the resolution itself, we should unanimously reject this amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CROWTHER].

The amendment was rejected.

Mr. REED of New York. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

> Amendment offered by Mr. REED of New York: Line 8, before the period, insert a colon and the following: "*Provided*, That hereafter no proclamation shall be made reducing the duty on articles the growth, produce, or manufacture of any foreign country below the amount which the United States Tariff Commission finds to be reasonably necessary to equalize the difference in the landed cost of such articles in the principal market or markets of the United States and the price at which like or similar domestic articles are freely offered for sale in such markets in the usual wholesale quantities."

Mr. REED of New York. Mr. Chairman, under the existing Trade Treaty Act, the treaty negotiators are not bound by any legislative rate-making formula. They are free to make reductions on any basis they choose, within the 50-percent limitation. They are free to disregard differences in production costs and competitive conditions at home and abroad, and in a great many instances obviously have done so.

The purpose of this amendment is to prevent the treaty negotiators from reducing any duty below the amount found by the Tariff Commission to be reasonably necessary to equalize the difference in the landed cost of foreign articles and the price at which like or similar domestic articles are freely offered for sale in the principal markets in the usual wholesale quantities. In other words, it merely seeks to put American producers on an equal footing with foreign producers in the home market. It gives them no advantage, but

simply offsets any advantage which the foreign producer has. It does not provide for embargo tariffs, since a rate which merely equalizes competitive conditions as between the foreign and domestic producer does not in any sense shut out imports. Certainly no foreign country can object if their producers are given an equal advantage with domestic producers in competing for the home market. It is equally certain that the Congress should at least be willing to give American farmers and industrial workers an even break in the home market, which is their birthright.

This amendment does not involve the so-called cost-of-production formula to which so much objection has been raised in the past. It does not require the ascertainment of the foreign production cost. Our producers are not concerned with what it costs the foreign producer to grow or manufacture a competitive article. What they are concerned about is the price they have to compete with when the foreign article comes into our principal markets. This amendment simply takes the landed cost of the foreign article and requires the maintenance of such a duty as will bring the landed price, including tariff, up to the American wholesale price of like or similar commodities. It is easy of administration and the objections which are raised to the cost-of-production formula do not apply to it.

This is the substance of the amendment long advocated by the American Wage Earners' Protective Conference and by the farm groups in the United States.

Secretary Hull has stated that he is only interested in reducing excessive tariffs under trade treaties. If he is sincere in that statement, he can have no possible objection to the amendment I have offered, since it merely prevents the reduction of rates below the amount required to give American producers an equal opportunity with foreign producers in competing for the home market. [Applause.]

Mr. BUCK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is merely an attempt to write back into law the formula contained in section 336 of the Tariff Act of 1930.

The "336 formula" is economically unsound as a basis, and especially unsound as the sole basis for determining tariff rates. The defects are inherent in the formula itself and not in the wording of the law. Therefore, either reapplying section 336 or changing the wording either under this amendment or another that is to be suggested later would not make the principle sound, nor would giving the Tariff Commission more discretion than it now has in applying the principle or laying down a new set of conditions under which the formula might be applied make the principle sound for the cases to which it would apply. It has been found difficult and often impossible to apply in practice. It presupposes that the Tariff Commission can ascertain both foreign and domestic costs of production. Domestic costs vary from firm to firm, place to place, and time to time. Suppose we were to determine the cost of domestic oranges, what district and what costs would we take? What representative period would we take for the cost study? Suppose it is a joint product. What is the cost of producing chilled lamb and chilled beef, assuming we know the cost of producing the lamb or the steer, which we probably do not? How determine the cost of products intended for cat and dog foods, for instance?

Under section 336 costs of domestic articles include "transportation costs and other costs incident to delivery to the principal market or markets of the United States."

How shall the appropriate transportation costs be determined for articles which are consumed all over the United States? Chickens, fruits, vegetables, which are not only produced in many places but are consumed in all the principal or terminal markets?

In determining foreign costs under section 336 the same difficulties arise and in addition the Tariff Commission must find which foreign country is the principal supplier. In many cases the Commission has found it impractical to determine this. What articles are like or similar to the domestic article? Is a bamboo toothbrush handle imported like or similar to a domestic one made of plastic material? Are mangoes and bananas like or similar to domestic fruits, and again we have the question of what is a representative period.

The Tariff Commission has found it a practical impossibility to determine costs in many cases. I want to remind my friends that from 1922 to 1930 the Tariff Commission made a number of investigations and made findings in only 50 of these cost-of-production studies. Then, after they had made these 50 cost-of-production studies, in 1930 our Republican friends came along and raised the tariff to above what the Tariff Commission had found to be a reasonable rate. I wish I had time to insert the entire list of the articles on which Congress, as then constituted, overruled its own agents cost-of-production studies. But Congress paid no more attention then to the Tariff Commission's findings than it would now if the minority had its way. Anything to defeat the resolution, is their slogan, but the plain unadulterated record of the operations under section 336 will not justify a single vote for this amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. REED].

The amendment was rejected.

Mr. WOODRUFF of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUFF of Michigan: Line 8, before the period, insert a colon and the following:

"That hereafter the President, in entering into foreign-trade agreements and in proclaiming modifications of existing tariff duties or other import restrictions pursuant thereto, shall not reduce the duties on competitive foreign agricultural products when the average selling price of the comparable domestic commodity is less than the parity price therefor as published in the latest available statistics of the Department of Agriculture."

Mr. WOODRUFF of Michigan. Mr. Chairman, for about 7 years the New Deal party has been promising the farmers of this country parity for their products. They have been resorting to everything the bright-eyed boys down at the other end of Pennsylvania Avenue could think of to attempt. They have taxed our people something more than $4,200,000,000 in order to pay the farmers of this country to reduce their production on their farms rather than to increase that production. They have offered this so-called, this pseudo reciprocal Trade Agreements Act with several purposes in mind, the most important of which, I believe, according to the best judgment of friends of the farmer in this House, was to help the American farmer. As a matter of fact, this bill was presented to the committee and the Congress as being one that would help to put the American farmer on his feet, that would at least help him come somewhere near securing parity for the products of his toil.

The result, however, has been something quite different from what was promised the Congress and the farmers. Instead of protecting the American farmer against imports of foreign competitive agricultural products it has worked in reverse—and there has been an increase in the imports of competitive agricultural products. Instead of assisting the farmer to extend his market for American products, we find that we have reduced our exports of those commodities approximately $104,000,000 since this act went into effect.

I wonder how many of you gentlemen on the Democratic side realize that the administration of this law instead of helping the farmer has militated directly against him. We all know that when tariffs are reduced they are reduced for a certain definite purpose, that is, to increase imports of the commodity on which the tariff is reduced. We all know that.

I hope I may have the attention of you Democratic Members who come from the agricultural sections because I believe many of you are not aware of the fact that during the time this act has been in effect the Secretary of State, in

his administration of the act, has brought about a reduction of the tariff on more than 150 different competitive agricultural products, and this tariff has been reduced at a time when the domestic price was a mere fraction of the parity price on many of those products.

Prices of certain agricultural imports on which duties have been reduced by trade agreements

Commodity	Date reduction became effective [1]	Parity price		Average price received by United States farmers	
		As of date reduction became effective [2]	As of Aug. 15, 1939 [3]	As of date reduction became effective [2]	As of Aug. 15, 1939
Cattle (per 100 pounds)	Jan. 1, 1939	$6.56	$6.51	$6.68	$6.50
Hogs (per 100 pounds)	do	9.10	9.02	6.96	5.47
Chickens (per pound)	do	.144	.142	.140	.130
Eggs (per dozen)	do	.294	.251	.188	.175
Barley (per bushel)	do	.780	.774	.380	.345
Buckwheat (per bushel)	do	.920	.912	.537	.548
Oats (per bushel)	do	.503	.499	.263	.254
Rye (per bushel)	do	.907	.900	.347	.342
Hay (per ton)	do	14.96	14.84	6.79	6.77
Potatoes	do	.854	.842	.644	.691
Apples	do	1.21	1.20	.95	.66

[1] The date of the latest agreement is given when more than 1 agreement is involved (e. g., the duty on hay was fixed at $3 per ton in the agreement with Canada which became effective Jan. 1, 1936, and at $2.50 per ton in the agreement which became effective Jan. 1, 1939. The latter date is used in the table).

[2] Prices given are as of the 15th of the month in which the tariff reduction became effective.

[3] Subject to revision.

Mr. Chairman, I insert in the RECORD at this point a table I secured from the Secretary of Agriculture covering 11 different commodities. I asked him for a report on all of them, but he sent me a report on only the 11 incorporated in this table.

While you will not have an opportunity to see this table in the RECORD until tomorrow, you will note when you do have the opportunity to see it that in the first column is shown the commodity—and the Department of Agriculture made its own selection of the commodities shown herein. The second column shows the date the tariff reductions became effective.

[Here the gavel fell.]

Mr. WOODRUFF of Michigan. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. WOODRUFF of Michigan. The third column shows the parity price as of the date on which the tariff reductions became effective. The fourth column shows the parity price as of August 15, 1939. The fifth column shows the average price received by United States farmers as of the date of the reduction of the tariff, and the sixth column shows the average price received by United States farmers as of August 15, 1939.

Keep in mind, Mr. Chairman, that this table was prepared by the Department of Agriculture. If you want to see figures which incontrovertibly show the futility, as far as help to the farmers of America is concerned, of the trade-agreements policy as at present administered, note the fact that the domestic prices when the tariff on the products became effective were, in most instances, a mere fraction of parity as of that date.

Now, Mr. Chairman, I have no illusions about this matter. I do not maintain that by adopting the amendment I have offered parity will be immediately brought to the farmer, but I do say that if this amendment is adopted it will, to some extent at least, improve the condition of the farmer through helping to preserve a price that is more nearly fair than the price he has had in the past, and will give him the American market so far as he can supply that market at a reasonable price.

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

Mr. WOODRUFF of Michigan. I yield.

Mr. HOUSTON. Will the gentleman support a bill providing full parity payments to the farmers? I understand such a bill is before the Committee on Agriculture of the House at the present time.

Mr. WOODRUFF of Michigan. I will say to the gentleman that if he can show me a reasonable way to reach parity prices for the American farmers I will be happy to vote for it.

Mr. HOUSTON. The Secretary of Agriculture would be the one to determine what is parity.

Mr. WOODRUFF of Michigan. I understand, of course, as everybody knows, the Secretary of Agriculture would be the gentleman who would decide parity prices.

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Chairman, the advocates for continuing the Reciprocal Trade Treaties Act are deliberately beclouding the real issue. Whether the treaties thus far made under this law have or have not yielded us material benefit is of little importance to us now. This act has robbed our people of their liberty. You who are now supporting this are attempting to make that robbery permanent. That is the real issue before us now.

The levying of duties on imports is a practice of ancient origin. The Greeks engaged in it. It has played a very important role in the economies of nations down through the ages. It has always been an important factor in our economy. It touches the life of every individual American citizen.

Fully appreciating its importance, the founding fathers wisely wrote a strict democratic provision into the Constitution which vested all tariff-making powers directly in the people. That clause provided that the people should delegate their will in all tariff matters to their chosen representatives in Congress. It was specifically intended that Congress should hold this delegated authority only as a trust.

Now the Congress has overthrown this democratic principle. In its place it has set up a bureau, with powers absolute, to write our tariff rates within wide limitations. This Bureau is neither responsible directly to the Congress or the people. There is no appeal from its decisions. It is prosecutor, jury, and judge in every case.

For you to tell us the public has full opportunity to be heard on all these treaties before they are concluded is the most cruel mockery. How many of the 45,000,000 voters of our country really can attend those hearings? Perhaps not more than a baker's dozen in a million. Who are they? Are they of the rank and file? Certainly not. These have not the means to be running to Washington on an errand of this sort. Only those who have substantial means can possibly take advantage of this opportunity. Who does not know that this will work almost entirely to the benefit of the more wealthy who have political pull?

To cite Republican precedents in support of this act is doing no more than making the claim that two wrongs make a right.

No less cruel mockery is it for you to claim that no injury from the operation of this act has been shown. Of course, no one has proven to the board that he has been injured. But whether he has proven to himself that he has been injured or whether he has proven this to the public is another matter. Who ever heard of any person proving to a board, with powers so absolute as to permit of no appeal, that it has injured him? There is just about as much chance for proving injury by these trade treaties as there is for the poor Russian peasants to prove to Stalin that his totalitarian regime has injured them.

To point to the personal qualifications of Secretary of State Cordell Hull and his fitness to administer this act as a reason for continuing it, which has been done so much by the proponents of this bill, is absurd, to say the least. Since when have we adopted the principle of passing laws to accommodate individuals?

Summed up in a nutshell, you proponents of this bill are simply saying: "Don't trust the people back home in the sticks to have anything to do with writing tariff laws. They have shown themselves too ignorant to know what it is all

about. They don't know what they want or need. Entrust this task only to the all-wise bureaucrats. Democracy has failed to work in fixing tariff rates. The State Department alone, with authoritarian powers, has been able properly to write tariff schedules."

Anyway, if I have understood correctly some of the arguments made in favor of extension, in the making of tariff rates the Congress has been nothing but a gang of logrolling, horse-trading, lobby-controlled swindlers. Since this duty has been taken from that mongrel outfit and given to the State Department, which we are apparently to believe is composed only of a pure breed of genus homo and perhaps congenitally immune against evildoing, it has suddenly become a great force for recovery at home and peacemaking throughout the world.

Of course there was logrolling and horse trading under the old method of tariff rate making. Wire pulling and trading have always been a part of democratic government; nor has anyone ever questioned their evil. What has been questioned, however, is whether the people, as a whole and in the long run, were safer even with these evils than they were under a despotism. As for myself, I will take a horse trader any day for a bureaucrat. I at least have a chance to get back at a horse trader, but with a bureaucrat I can never get even.

But let us keep to the issue, and issue I hope it will be in the coming campaign. You men who are responsible for this law have robbed my people at home of their liberty. You have made it so that I can no longer represent them in Congress on tariff matters. When you took their constitutional right to write tariff rates away from them, in my opinion you betrayed the trust your people had vested in you, and you violated your oath to the Constitution.

Moreover, this matter concerns me personally. You have robbed me of my liberty. You are now engaged in making that robbery permanent. You say to me I am to be permanently enslaved by an authoritarian power of the Government on a matter which seriously affects my own welfare. That is what you are proposing to do. I object, and I shall not stand for this despotism if I can help it.

This is not all. It is not merely a matter of getting back the liberties which have been taken away from us. If the argument that has been used to destroy the people's constitutional right to write tariff rates is permitted to dominate here, then all our liberties are in jeopardy. There is no activity of the Government that could not be subjected to the same sinister reasoning.

Mr. JONES of Ohio. Mr. Chairman, I have been surprised that the majority in charge of this bill have not developed the specific alleged advantages to the American people of the reciprocal trade-treaty program. The predominant discussions have been along partisan lines, and the outstanding appeal has been for party support of an administration measure. It would seem that if since 1934, when the first trade treaty was signed, the program had been as beneficial as the administration claims to American industry and American agriculture the proponents of this bill on the majority side of the aisle would come forward with the facts and figures to prove the outstanding claimed advantages.

The tariff question is, and always has been, a very complicated question. The tariff policy has a sweeping effect upon every business in the United States. Every item that is provided for in any one of these trade agreements produces advantages or disadvantages to the producers or manufacturers of the commodity dealt with. For the proponents of this program to come in here and attempt to simplify this great problem with an appeal that there is an emergency that the peace of the world is threatened is merely a labor-saving device to avoid analyzing the true problems and difficulties presented by the subject of international trade.

Proponents of the measure on the majority side have cited the opinion of several large groups of organized voters who favor the trade-treaty program. No one can judge, and certainly we cannot tell, whether any groups outside of this parliamentary body have weighed the advantages and disadvantages of the trade-treaty program in the scales of infinite analysis. It is begging the question to assert the soundness of a bill because of its seeming popularity. It is just as reasonable to assume that these groups merely have been misled by the same type of impassioned pleas without reason that we have heard on the floor during the time that this measure has been considered by the House. It is a sign of weakness to sidetrack an analytical discussion of the benefits and detriments to various classes of business in America. Certainly in this body we, as representatives of all the people and all the people's business, should take apart the actual results of the program and look at them for the value that we see in them.

It is hard to estimate the amount of public money that the administration has spent to propagandize the American public through the press, on the public platform, and by use of the radio. Since the Administration has used its enormous resources to propagandize the American public, there must be a reason why the statistics regarding the reciprocal-trade treaties have not been brought before the House of Representatives for scrutiny. If we are going to take the attitude that one great question after another confronting this great Republic is too big and too complicated for the great House of Representatives of the United States, then, here and now, parliamentary and constitutional government is being stabbed in the back.

I am willing to admit that this is a very intricate and complicated problem. It deserves the deepest thought of every last Member of this House. The philosophy of the republican form of government does not deny struggle. We do not deny that the House is sometimes inefficient. We do not deny that it often takes a long time to get things done; to put programs into effect. We are as efficient as the countries who require their parliamentary bodies to approve. The Constitution guarded against the evils of autocratic power. The Constitution delegated to Congress the enormous tasks of handling the Nation's business. It is a mockery to our republican form of government that we have to say that the Government business has become too big for Congress to handle. I shall continue to fight for the integrity and the responsibility of Congress for the welfare of the Nation.

When facts, figures, and statistics are not given in support of the claimed worth of the trade treaties for analysis by the representatives of the people in Congress, we can only conclude that the entire program will not stand the fire of parliamentary discussion. The program must be indefensible.

The administration at times seems to be torn between two loves: The Department of Labor has sponsored legislation to provide minimum hours and wages for the American workman, on the one hand, and then seeks to destroy the apparent advantage by taking the work away from his bench and giving it to the foreign workman.

The administration contends, through the express policy of the Department of Agriculture, that we have a surplus of agricultural commodities in America, and millions of acres must be taken out of production. The Treasury of the Government is drawn upon through the Farm Tenancy Act, Soil Conservation Act, parity farm legislation, crop loans, and insurance, and like agencies to pay the American farmer for curtailing production, firing the farm hand, and discharging his tenant. On the other hand, the administration has paid the American farmer for not raising the same group of products that are being brought into this country in astounding amounts to compete in the American market with the curtailed amount that the American farmer has produced.

The gentleman from Ohio, Congressman BROWN, inserted in the Appendix of the RECORD, volume 86, page 80, a list of farm products that were imported during the first 10 months of 1939, in comparison with the imports for the first 10 months of 1938. The United States Department of Commerce figures indicate a steady growth of these agricultural imports from foreign lands into our country. I ask unanimous consent to insert this table of farm imports from figures compiled by

the United States Department of Commerce in the CONGRESSIONAL RECORD.

Farm imports—United States imports of agricultural products, 10 months, 1938 and 1939

[U. S. Department of Commerce figures]

Import items	Unit	10 months ending October—	
		1938	1939
Cattle	Head	330,653	664,339
Meat products (total)	Pound	123,732,000	136,552,000
Canned beef	Pound	65,833,000	78,073,000
Cheese	Pound	44,423,000	49,249,000
Eggs (in shell)	Dozen	182,844	267,326
Hides and skins (total)	Pound	131,896,000	258,889,000
Cattle hides	Pound	39,338,000	104,217,000
Sheep and lamb skins	Pound	25,496,000	50,085,000
Silver fox fur skins	Number	13,749	75,067
Casein	Pound	317,000	6,876,000
Barley	Bushel	126,000	745,000
Oats	Bushel	5,258	2,612,000
Wheat (all)	Bushel	2,433,000	9,310,000
Wheat flour	Pound	12,237,000	16,929,000
Barley malt	Pound	84,752,000	90,625,000
Hay	Ton	13,505	35,550
Wheat byproduct feeds	Ton	27,173	372,951
Chickpeas, dried	Pound	6,390,000	7,507,000
Potatoes, white or Irish	Pound	36,315,000	48,072,000
Sago	Pound	8,695,000	21,252,000
Tapioca	Pound	183,322,000	295,088,000
Arrowroot	Pound	4,799,000	7,681,000
Peas, canned	Pound	325,000	1,070,000
Tomatoes, canned	Pound	45,096,000	47,773,000
Pineapples, prepared or preserved	Pound	25,918,000	67,632,000
Apples	Bushel	8,004	24,661
Wool, unmanufactured	Pound	69,810,000	197,026,000
Cotton, unmanufactured	Pound	93,107,000	84,443,000
Tobacco, unmanufactured	Pound	60,968,000	64,544,000
Flaxseed	Bushel	12,324,000	14,724,000
Castor-beans	Pound	90,570,000	116,555,000
Potato starch	Pound	4,939,000	7,316,000
Maple sugar and sirup	Pound	3,798,000	12,136,000
Wool noils, wastes and rags	Pound	3,275,000	15,200,000

The House and the American farmer can judge for themselves whether these trade treaties have been benefiting the American market and protecting it for the benefit of American agriculture. The study takes no stretch of the imagination to conclude that if agricultural imports come into this country from year to year, at the same rate of increase that the above figures show for the first 10 months of 1939 over the first 10 months of 1938, the program will eventually destroy the American farmer.

The State Department works at cross-purposes then, in its reciprocal-trade program, with the Agricultural Department. The people of America suffer through the loss of the American market, through the expenditure of money from the Treasury to pay for the folly of the Department of Agriculture, and from the increased costs of bureaucracy to carry on these huge programs in the Department of Agriculture, the Department of State, and the Treasury Department.

It is estimated that 40 percent of the labor cost of products from any market is consumed by those who produce the goods. The reciprocal-trade policy has given the products of cheap labor an advantage in the American market and has put this 40 percent of labor cost of production into the pockets of foreign farmers and has taken it out of the pockets of American farmers. The farmers of this country have appealed to the President and the Congress for relief from this devastating program. The administration has not heard their cry for aid.

The promise of minimum wages, shorter working conditions, labor's right to collective bargaining to improve the workman's condition, are empty promises to American labor when the factories close down because the cost of the finished product of American labor is higher than the entire cost of the foreign product, including shipping and delivery charges from the foreign country into this country to the consumers' market, duty-free.

Ten million men are still unemployed in America. The American laborer loses wages that he might have received had the product of the foreign laborer not been delivered to the American market free of duty. The Treasury of the United States loses the money appropriated for his sustenance, at the level of a peon, on the rolls of relief, W. P. A or P. W. A., and the education of his children by the N. Y. A.

He has been made to suffer from the competition of the products of cheap labor of foreign countries because of the generally stated objective of the administration that Americans must take these competitive products, as a good neighbor, in order to sell our products in the markets of the world.

The reciprocal-trade treaties are fast destroying the markets of the world for American producers. Many figures compiled by the Department of Commerce show the total exports and imports for the first 11 months of the years 1938 and 1939:

Exports

	1938	1939
Eleven months ending November	$2,790,811,000	$2,766,468,000
Agricultural	763,224,000	578,161,000
Nonagricultural	2,027,587,000	2,188,308,000

According to the foregoing figures, which include 3 months of the war in Europe, it can be seen that agricultural products and manufactured goods exported to foreign countries have fallen off $24,343,000. The claim of any assistance of the trade-treaty program has broken down, as the above figures indicate.

The total export of domestic manufactures of all types is relatively minor when compared to the value of similar goods consumed in the United States. No accurate statistics are available as to the value of all commodities consumed in the United States, excluding imports.

However, an approximate idea of the home market may be obtained when we learn that in 1938 the United States census reported the wholesale value of all manufactures as $60,712,872,000. To this figure must be added the farm value of our agricultural products which in 1938 had a gross value of $8,232,900,000. The total value of all manufactured and farm products on the wholesale basis is approximately $68,945,772,000, and this, not including the products of our fisheries and mines.

By pursuing the Hull trade-agreements policy we are not preserving the home market for the American farmer and for the manufacturer employing American labor, which consumes $68,945,772,000 worth of goods annually. In addition to the stupendous value we must not forget that millions of people could be employed in distributing and retailing our products in private employment. Preserve the American market so that these same workers will not be dependent upon bureaucracy in the pitiless conditions made by W. P. A., P. W. A., and relief.

For this reason I will support this amendment.

Mr. BOEHNE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment, as I understand it, is in reality an amendment to prohibit the importation of agricultural products, the domestic price of which is ascertained to be below parity.

This amendment provides a special exemption for agricultural products from duty reductions under the trade-agreements program. Other special groups would undoubtedly demand a similar exemption within a very short while, completing the process of rendering the entire program a dead letter. Hence the enactment of any such amendment as that offered by the gentleman from Michigan [Mr. WOODRUFF] would be tantamount to depriving agriculture of one of the most effective means at its disposal for the eventual lifting of agricultural prices through profitable foreign disposal of surpluses unsalable at home.

I want to call your attention to some testimony at pages 1691 and 1692 of the hearings, of Mr. O'Neal, president of the American Farm Bureau Federation, that the exclusion of a small trickle of competitive agricultural imports which has been made possible in part by reductions in duties on deficiency products now at or below parity, would fail utterly to bring about the rise in agricultural prices which the gen-

tleman from Michigan seeks to accomplish. On the pages I have referred to we find this testimony:

Mr. O'NEAL. Here is what I mean. We say in our resolution "protect the parity level," and we say the trade treaties have not affected the parity position.

To which the gentleman from Michigan [Mr. WOODRUFF] said:

Notwithstanding the fact that when these agreements go into effect, domestic prices in some instances go to one-half of the parity price?

And Mr. O'Neal said:

That isn't due to imports, Congressman.

I ask, Mr. Chairman, that this Committee defeat this amendment and have it go the way of all flesh. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. CARLSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARLSON: Line 8, before the period, insert a colon and the following: *"Provided,* That no such foreign trade agreement concluded after the date of the enactment of this joint resolution shall take effect until it shall have been approved in writing by the Secretaries of State, Agriculture, and Commerce: *And provided further,* That no import concessions be made by the Trade Agreements Committee on competitive farm products which are below parity prices, parity prices to be determined by the Secretary of Agriculture."

Mr. CARLSON. Mr. Chairman, the Committee this afternoon has voted against congressional ratification for reciprocal-trade agreements. They have voted against Senate ratification. You have an opportunity now to vote for an amendment that has the unanimous approval of a great farm organization, the American Farm Bureau Federation, according to a resolution adopted at its annual meeting last December, and I hope that you will give serious consideration to its adoption.

Mr. Edward O'Neal, national president of the American Farm Bureau Federation appeared before our committee, and I quote from page 1669 of the hearings:

The American Farm Bureau Federation, at its annual meeting in Chicago recently went on record in favor of the continuance of this program with proper safeguards.

The following is the resolution adopted at the convention:

In giving our support to the continuance of reciprocal-trade agreements, we renew, with increased emphasis, our demand that no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity level. Any other course would justify the condemnation of an opposition to such agreement by all agricultural groups.

We further insist that in the negotiation of trade agreements, economic factors be given consideration equivalent to the weight accorded to the factors of diplomacy and statecraft. To this end we urge that the Reciprocal Trade Act be amended to provide that no agreement be consummated unless unanimously approved by the Secretaries of State, Commerce, and Agriculture.

I regret to make this statement, but I believe there is a feeling generally that agriculture does not receive proper consideration at the State Department in the making of trade agreements. I dare make that statement because when Dr. Grady testified before our committee, he made the frank and emphatic statement that the State Department was opposed to subsidizing agricultural commodities.

I ask in all sincerity, what would have been the position of the wheat farmer, the cotton farmer, today had it not been for subsidizing exports? During the past 2 years we have paid export subsidies on wheat, wheat flour, cotton and cotton products, certain fruits, nuts, and tobacco. From July 1, 1938, to September 15, 1939, we exported, during that 15-month period, 134,789,000 bushels of subsidized wheat at an approximate cost of $31,000,000. On July 27, 1939, we started another export subsidy program on cotton. Under this program we exported 4,322,000 bales of cotton by paying a subsidy of one and a half cents a pound at a total cost of $32,500,000. The value of farm commodities exported by direct subsidy totaled $65,000,000. Last year the percentage of agricultural exports in comparison with all exports from this country were the lowest on a percentage basis at any time in our history, namely, 21 percent.

Summary of exports, 4 months

	Pre-war period, September-December 1938	Percent of total	War period, September-December 1939	Percent of total	Increase, 1939 over 1938	
					Amount	Percent
TOTAL EXPORTS						
Agricultural products	$300,066,000	29.0	$311,785,000	24.9	$11,719,000	3.9
Nonagricultural products	733,790,000	71.0	939,916,000	75.1	206,126,000	28.1
Total, all products	1,033,856,000	100.0	1,251,701,000	100.0	217,845,000	21.1

Summary of exports, 12 months

	12 months ending Dec. 31—				Change, 1939 from 1938
	1938		1939		
	Amount	Percent	Amount	Percent	
TOTAL EXPORTS					
Agricultural products	$827,546,000	27.1	$655,583,000	21.0	−$171,963,000
Nonagricultural products	2,229,623,000	72.9	2,468,286,000	79.0	+238,663,000
Total, all products	3,057,169,000	100.0	3,123,869,000	100.0	+66,700,000

In 1939 the total value of farm exports was $655,583,000, or 21 percent of the total of all exportable products from the United States. This is $171,963,000 less than last year, and when you deduct $65,000,000 worth of farm commodities that were exported by subsidy payments, is it any wonder that the farmers of this country are concerned over the effect of the reciprocal trade treaty program? In 1934 they were 32 percent. They are gradually going backward, despite this program. Yesterday the Department of Commerce stated that we had a national income in 1939 of sixty-eight and one-half billion dollars. How much did agriculture get? Exactly $7,625,000,000, or 9 percent of the national income. This is less than any year since 1935.

Cash income from farm marketings—Total, per farm, and per capita—United States, 1910–39

Year	Cash income [1]	Number of farms Jan. 1	Cash income per farm	Farm population Jan. 1	Cash income per capita
1910	$5,785,000,000	6,362,000	$909	32,077,000	$180
1911	5,581,000,000	6,390,000	873	32,110,000	174
1912	5,966,000,000	6,420,000	929	32,210,000	185
1913	6,251,000,000	6,450,000	969	32,270,000	194
1914	6,015,000,000	6,480,000	928	32,320,000	186
1915	6,391,000,000	6,520,000	980	32,440,000	197
1916	7,755,000,000	6,560,000	1,182	32,530,000	238
1917	10,648,000,000	6,540,000	1,628	32,340,000	329
1918	13,464,000,000	6,520,000	2,065	31,770,000	424
1919	14,436,000,000	6,470,000	2,231	30,930,000	467
1920	12,553,000,000	6,448,000	1,947	31,614,000	397
1921	8,107,000,000	6,500,000	1,247	31,763,000	255
1922	8,518,000,000	6,510,000	1,308	31,749,000	268
1923	9,524,000,000	6,400,000	1,488	31,130,000	306
1924	10,150,000,000	6,350,000	1,598	30,817,000	329
1925	10,927,000,000	6,372,000	1,715	30,830,000	354
1926	10,529,000,000	6,340,000	1,661	30,619,000	344
1927	10,699,000,000	6,260,000	1,709	30,170,000	355
1928	11,024,000,000	6,270,000	1,758	30,188,000	365
1929	11,221,000,000	6,290,000	1,784	30,220,000	371
1930	8,883,000,000	6,289,000	1,412	30,169,000	294
1931	6,283,000,000	6,390,000	983	30,497,000	206
1932	4,682,000,000	6,530,000	717	30,971,000	151
1933	5,278,000,000	6,720,000	785	31,693,000	167
1934	6,273,000,000	6,770,000	927	31,770,000	197
1935	6,969,000,000	6,812,000	1,023	31,801,000	219
1936	8,212,000,000	6,830,000	1,202	31,809,000	258
1937	8,744,000,000	6,820,000	1,282	31,729,000	276
1938	7,627,000,000	6,850,000	1,113	31,819,000	240
1939	7,625,000,000	6,920,000	1,102	32,059,000	238

[1] From marketings (excludes Government payments).

Does this mean that this program is failing? Personally, to me it means that this program is not getting results for

agriculture. Their organizations believe this or they would not have opposed this resolution or endorsed it with qualifications. Many of them have opposed its enactment, and the American Farm Bureau Federation wants the approval of the Secretary of State, the Secretary of Commerce, and the Secretary of Agriculture. If you believe that we are not getting a fair deal, here is an opportunity to correct this inequality. We have negotiated agreements with commercial countries heretofore, but from now on the agreements will be made with competitive agricultural countries such as the Argentine, Uruguay, and Chile. Therefore agriculture has more at stake in the future than it had in the past.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. Yes.

Mr. AUGUST H. ANDRESEN. The Farm Bureau and all other organizations are in favor of holding prices up to parity, and the Minnesota Farm Bureau particularly, for the amendment the gentleman has offered.

Mr. CARLSON. This amendment gives you an opportunity to vote whether you are in favor of parity for agricultural products, and it gives you an opportunity to go on record for the provisions desired by a farm organization in the United States.

Not only is the farmer's income reduced but the purchasing power of his dollar is also reduced. The ratio of prices received to prices paid is now 79.

Year and month	Index of prices received by farmers (August 1909–July 1914=100)								Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups	
1925	157	177	172	153	140	153	163	156	99
1926	131	122	138	143	147	152	159	145	94
1927	128	128	144	121	140	155	144	139	91
1928	130	152	176	159	151	158	153	149	96
1929	120	144	141	149	156	157	162	146	95
1930	100	102	162	140	133	137	129	126	87
1931	63	63	98	117	92	108	100	87	70
1932	44	47	82	102	63	83	82	65	61
1933	62	64	74	105	60	82	75	70	64
1934	93	99	100	103	68	95	89	90	73
1935	103	101	91	125	118	108	117	108	86
1936	108	100	100	111	121	119	115	114	92
1937	126	95	122	123	132	124	111	121	93
1938	74	70	73	101	114	109	108	95	78
1938—December	63	70	73	108	109	112	127	96	80
1939—January	66	71	76	96	112	109	97	94	78
February	66	70	78	108	116	107	91	92	77
March	66	71	81	114	116	100	88	91	76
April	67	70	82	102	114	95	87	89	74
May	72	72	85	110	112	92	85	90	75
June	73	73	93	105	107	94	83	89	74
July	66	73	80	101	107	96	89	89	74
August	64	71	70	101	101	100	90	88	74
September	83	76	73	114	117	107	102	98	80
October	77	74	73	128	112	112	108	97	[1] 80
November	79	75	66	130	107	117	117	97	[1] 80
December	87	82	65	96	101	118	97	96	[1] 79

[1] Preliminary.

If this amendment were adopted it should assist the Department of Agriculture in securing parity prices for agricultural products. At the present time only three farm commodities have reached parity. This is a serious situation and is hindering national recovery.

Prices of farm produce

Estimates of average prices received by farmers at local markets based on reports to the Agricultural Marketing Service. Average of reports covering the United States weighted according to relative importance of district and States]

Product	5-year average, August 1909–July 1914	December 1909–13	December 1938	November 1939	December 1939	Parity price, December 1939
Cotton, lb.....cents	12.4	12.2	8.20	8.80	9.71	15.87
Corn, bu.....do	64.2	57.7	43.1	46.8	50.3	82.2
Wheat, bu.....do	88.4	86.7	53.6	73.1	82.4	113.2
Hay, ton.....dollars	11.87	11.99	6.81	7.51	7.71	15.19
Potatoes, bu.....cents	69.7	62.3	[1] 61.3	69.2	70.8	86.5
Oats, bu.....do	39.9	38.3	24.4	32.1	34.7	51.1
Soybeans, bu.....do	(2)	(2)	.67	.82	.97	.....

[1] Revised. [2] Prices not available.

Prices of farm produce—Continued

Product	5-year average, August 1909–July 1914	December 1909–13	December 1938	November 1939	December 1939	Parity price, December 1939
Peanuts, lb.....cents	4.8	4.6	3.31	3.39	3.43	6.1
Beef, cattle, cwt.....dollars	5.21	5.03	6.40	6.89	6.85	6.67
Hogs, cwt.....do	7.22	6.73	6.90	5.87	5.03	9.24
Chickens, lb.....cents	11.4	10.6	13.6	12.4	11.7	14.6
Eggs, doz.....do	21.5	29.9	27.9	25.8	20.5	[2] 37.0
Butterfat, lb.....do	26.3	29.9	27.0	28.1	28.5	[2] 36.8
Wool, lb.....do	18.3	18.6	[1] 20.3	27.6	27.5	23.4
Veal calves, cwt.....dollars	6.75	6.74	8.04	8.64	8.41	8.64
Lambs, cwt.....do	5.87	5.52	7.08	7.48	7.38	7.51
Horses, each.....do	136.60	132.10	79.80	77.60	77.10	174.80

[1] Revised. [2] Adjusted for seasonality.

The only reasonable conclusion that can be reached is that the agreements program has been of no material benefit to the farmer. Not only are agricultural exports less today, but the facts are they have increased only 2.1 percent since 1935 while nonagricultural exports have increased 55.5 percent. This amendment should be adopted. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am surprised at the distinguished majority leader for his frivilous argument on the amendment proposed by my colleague the gentleman from Kansas [Mr. CARLSON]. This amendment is the proposal of the American Farm Bureau Federation. Its president, Mr. O'Neal, has been one of the best supporters of the New Deal and of the majority party. He has gone out of his way many times to recommend and urge the passage of legislation here that has been detrimental to agriculture as a whole, just because he wanted to go along and help the New Deal with its program. So this amendment as offered by the gentleman from Kansas [Mr. CARLSON] is the amendment that was prepared by one of our greatest farm organizations in the country and which has the support of all the farmers of the United States.

I would like to have seen the amendment go as far as the Farm Bureau of Minnesota recommended, for they requested Senate ratification in addition to the approval of the Secretaries, and that no concessions should be given on farm commodities if the prices were below parity.

I hope that this amendment will be adopted, for after all our farm prices must be protected, if we are to again secure general prosperity. Our export of farm products have virtually stopped. Surpluses are being piled up because foreign countries are refusing to buy American farm products. We are headed downward as far as agriculture is concerned, and now the Democratic Party proposes to abandon the American farmer's right to have parity.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CARLSON. I would like to call attention to the statement as part of the resolution adopted by the Farm Bureau Federation. It reads:

> We renew, with increased emphasis, our demand that no agreement be consummated, the effect of which might be to force or hold domestic prices for any farm commodity below parity.

That is what my amendment provides for.

Mr. AUGUST H. ANDRESEN. That is what I understood.

Speaking about the delegation of authority, in this bill you delegate authority to the President of the United States. To whom does he delegate it? I defy anybody here to name any person who sits around the conference table on these important questions of passing on tariff reductions. We do not know who they are. Some bureaucrats here in Washington, unknown to any Members of Congress. Then they submit their report to the President and he puts his seal of approval upon it. That is the kind of delegation we have here—not specific delegation—as recommended by the gentleman from Kansas [Mr. CARLSON].

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. HOUSTON. Has not the Farm Bureau already gone on record for extension of these trade pacts, long before Mr. O'Neal offered this amendment?

Mr. AUGUST H. ANDRESEN. Mr. O'Neal's statement is different from the action taken by the American Farm Bureau Federation at its national convention in Chicago this year. The amendment offered by the gentleman from Kansas is the action taken by the National Farm Bureau Federation, irrespective of what Mr. O'Neal, its president, had to say before the Ways and Means Committee. So my colleague is simply carrying out the unanimous action of the Farm Bureau, as against any statement Mr. O'Neal might have made.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. MUNDT. It is also true that every Member of Congress received a telegram signed by Mr. O'Neal in favor of the amendment offered by the gentleman from Kansas [Mr. CARLSON] regardless of the critical remarks which the majority leader made about that.

Mr. AUGUST H. ANDRESEN. I understood that all Members had received such telegram.

Mr. CARLSON. Will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CARLSON. I would like to call attention to what Mr. O'Neal stated before the Ways and Means Committee. He said:

> The American Farm Bureau Federation at its annual meeting in Chicago recently went on record in favor of continuance of this program with proper safeguards.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

The amendment offered by the gentleman from Kansas should be adopted.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. COOPER. Will the gentleman yield, just briefly?

Mr. RANKIN. I yield.

Mr. COOPER. I just wanted to state that this amendment in the form offered by the gentleman from Kansas [Mr. CARLSON] is not the amendment approved by the Farm Bureau Federation.

Mr. RANKIN. Mr. Chairman, I am reliably informed that Mr. Taber, of the Grange, stated before the committee that this Democratic administration had treated the farmers better than had any other administration in his recollection, if not in history.

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

Mr. RANKIN. Yes; I yield.

Mr. McCORMACK. The gentleman's information is absolutely correct.

Mr. RANKIN. I thank the gentleman from Massachusetts.

Mr. Chairman, it is very amusing to me to hear our high-tariff Republican friends weep on the necks of the farmers at this time. I was here when they passed the Smoot-Hawley tariff bill that completed the wrecking of the American farmer. Let us see what happened under that bill.

Let us take the first 3 years under that bill and the last 3 years under the present program. During the years 1931 to 1933, inclusive, cattle sold by the farmers of the United States amounted to $2,059,000,000. The last 3 years under this administration and this program it amounted to $3,459,000,000, an increase of $1,401,000,000.

Hogs went from $1,742,000,000 to $2,745,000,000. Tobacco went from $498,000,000 to $858,000,000. Wheat went from $769,000,000 to $1,484,000,000, or an increase of $714,000,000. Wool, mohair, cotton and cottonseed, fruits and vegetables added to these all told amounted during those first 3 years under the Smoot-Hawley tariff bill to $9,431,000,000. During the last 3 years under the present program the amount has been $15,140,000,000, or an increase of $5,708,000,000. That is the difference between procedure under the trade-agreements program and procedure under the Smoot-Hawley tariff bill that absolutely placed upon the farmers of this country burdens too heavy for them to bear.

All this sniping at this bill is merely to carry out the wishes of the tariff barons who want to destroy it entirely, men who have fed off the American farmer for the last 60 years.

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

Mr. RANKIN. I am glad to yield to a gentleman from the industrial district, for I know the automobile manufacturers are very much interested in this measure.

Mr. MICHENER. Mine is partly an agricultural district, but what I wanted to say was that the gentleman from Mississippi was the only man in the House who had the courage at the time the Smoot-Hawley bill was passed to concede that he was still a free-trader and that he had kept the faith. Is he still a free-trader and has he still kept the faith?

Mr. RANKIN. I may say to the gentleman from Michigan that I stated I was for a tariff for revenue only. If he has had the courage to stay wrong all these years I have had the courage to stay right. I am still for a tariff for revenue only. [Applause.]

I will admit that the big manufacturers of this country are all out of sympathy with agriculture.

They do not want this program continued.

But you are not fooling the farmers. Now, this farmer here, the gentleman from Cleveland [Mr. BENDER] who is smiling at me, he is not fooling the farmers in Cleveland any more than the gentleman from Michigan is fooling those automobile farmers up there who manufacture Fords and Cadillacs.

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

Mr. RANKIN. Yes; for a question.

Mr. BENDER. Is it not a fact that this same Mr. Taber, to whom the gentleman referred, is against this bill?

Mr. RANKIN. I do not know whether he is against this bill or not. I do not think he is.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes; I yield to the gentleman from the beer-producing district of Milwaukee.

Mr. SCHAFER of Wisconsin. The gentleman has denounced——

Mr. RANKIN. Mr. Chairman, may we have order? I want to find out how the beer farmers of Milwaukee feel about this measure.

Mr. SCHAFER of Wisconsin. The gentleman has denounced tariff barons. Does the gentleman realize that his New Deal leader who spoke in favor of this bill and denounced a protective tariff on many occasions, the gentleman from Virginia [Mr. ROBERTSON] appeared before the Committee for Reciprocity Information on October 17, 1939, and asked that a 10-cent-per-pound or 40-percent tariff on imported dead turkeys be continued? This notwithstanding the fact that we only raise 32,000,000 turkeys in America each year, or one for every four of our people, according to his testimony, and notwithstanding that the New Deal has made it possible for us to have a double-header Thanksgiving Day each year? The gentleman from Virginia is now the highest priest in the temple of protective and embargo tariff. With reference to beer, Milwaukee produces the best beer in the world. We want Americans to drink Milwaukee and not imported foreign beer.

Mr. RANKIN. Mr. Chairman, I do not yield further.

In conclusion let me say that in my opinion Cordell Hull is rendering the greatest service of any man in any Cabinet in any country of the world today. [Applause.] The more power we give him, the more power he will have to continue the greatest program for the American consumers, including the American farmers, that has been undertaken in the last 40 years. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. CARLSON].

The question was taken; and on a division (demanded by Mr. CARLSON) there were—ayes 74, noes 108.

So the amendment was rejected.

Mr. KNUTSON. Mr. Chairman, I offer an amendment.

Mr. COOPER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER. Does this conclude consideration of all the amendments to which the Chair referred as being offered by members of the committee?

The CHAIRMAN. This is the last of the amendments.

The clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: Line 8, before the period, insert a colon and the following: "*Provided*, That hereafter, after any foreign trade agreement has been negotiated and before it has been approved by the President, the President shall cause public hearings to be held on such foreign-trade agreement at which all interested parties may have an opportunity to present their views."

Mr. KNUTSON. Mr. Chairman, the hour is late, and it is not my purpose to take more than a minute or two. During the hearings on this resolution it was disclosed that American manufacturers had to get their information from their foreign competitors as to what was in the air. This was particularly testified to by a representative of the pottery industry. This gentleman testified, and the hearings will so disclose, that American interests could not find out from the State Department what was going to be done to them in pending negotiations, and they had to go to their British competitors, who were lined up temporarily with American manufacturers against the Japanese, who had been able to get full information from their Government which in turn they passed on to the American manufacturers. I think it is unfair and indefensible the way our Government treats its nationals. So far as the American manufacturer is concerned, he is estopped from getting information until it is published in the papers and is an accomplished fact. The purpose of my amendment is merely to give the American interests a public hearing before the treaty that has been negotiated can go into effect.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment. This is another Smoot-Hawley amendment, and I ask that it be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. KNUTSON].

The amendment was rejected.

Mr. GEARHART. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GEARHART: Page 1, strike out lines 3 to 8, inclusive, and insert:

"That section 350 of the Tariff Act of 1930 is amended to read as follows:

"'SEC. 350. (a) (1) Whenever the United States Tariff Commission finds as a fact, after reasonable notice to interested persons and an opportunity to be heard, that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States, and that there is probable cause for believing that the foreign markets for the products of the United States may be expanded by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to such branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, and that the purposes herein declared will be promoted by the means hereinafter specified, it shall so certify to the President.

"'(2) Upon such certification the President is authorized to initiate negotiations with any foreign government, or instrumentality thereof, looking toward the conclusion of a foreign-trade agreement for the purpose of modifying the effect of such duties or import restrictions.

"'(3) Upon concluding any such trade agreement, the President shall transmit to Congress a copy of such trade agreement and a schedule of such modifications of existing duties and other import restrictions, or such additional import restrictions or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by such foreign-trade agreement as are required or appropriate to carry out such agreement. No such schedule shall specify an increase or decrease of more than 50 percent of any existing rate of duty or a transfer of any article between the dutiable and free lists.

"'(b) (1) The foreign-trade agreement and accompanying schedule shall bear an identifying number and shall be delivered to both Houses on the same day and to each House while it is in session.

"'(2) The following paragraphs of this subsection are enacted by the Congress adopting the principles set forth in section 21 of the Reorganization Act of 1939 as if they were incorporated in this section and made applicable to paragraphs (3) and (4) of this subsection:

"'(3) Sections 23 to 27, both inclusive, of the Reorganization Act of 1939 shall be applicable to the procedure to be followed in the case of joint resolutions enacting into law schedules accompanying foreign-trade agreements, with the following modifications:

"'(A) Such sections shall, for such purpose, be read as if the words "reorganization plan" and "plan" were stricken out wherever occurring and the word "schedule" substituted therefor.

"'(B) In lieu of the 10 calendar days provided in section 24 (a) for committee consideration periods of 45 calendar days shall be substituted.

"'(C) In lieu of the not to exceed 10 hours' debate provided in section 25 (b) a debate of not to exceed 8 hours shall be substituted.

"'(4) As used in this subsection and in sections 23 to 27, both inclusive, of the Reorganization Act of 1939 as applied to joint resolutions enacting into law schedules accompanying foreign-trade agreements, the term "resolution" means only a joint resolution of the two Houses of Congress, the matter after the resolving clause of which reads as follows: "That the schedule accompanying the foreign-trade agreement concluded with the country of , No. , transmitted to Congress by the President on , 19 , is enacted into law", the blank spaces being appropriately filled, and does not include a joint resolution which specifies schedules accompanying more than one foreign-trade agreement.

"'(5) If any schedule accompanying a foreign-trade agreement is enacted into law the President shall by proclamation announce the effective date of such schedule.

"'(6) The President may terminate the application of any such schedule in whole or in part.

"'(C) Whenever the Tariff Commission, after reasonable notice to interested persons and an opportunity to be heard, determines that any foreign country is not discriminating intentionally against the free flow of American commerce, it shall so certify to the President and the President shall thereupon by proclamation make the provisions of any schedule which has become effective in accordance with subsection (b) applicable to articles the growth, produce, or manufacture of such foreign country, whether imported directly or indirectly. The application of proclaimed duties and import restrictions under a foreign-trade agreement entered into under section 350 of the Tariff Act of 1930 prior to its amendment by this amendatory subsection to articles the growth, produce, or manufacture of a foreign country not a party to such trade agreement shall be suspended until certification and proclamation with respect to such country as required under this subsection have occurred.

"'(d) The President may suspend the application of any schedule to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section.

"'(e) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: *Provided*, That the duties payable on such an article shall in no case be increased or decreased by more than 50 percent of the duties now payable thereon.

"'(f) As used in this section, the term "duties and other import restrictions" includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

"'(g) The authority of the President to enter into foreign-trade agreements under this section shall terminate on June 12, 1943.'

"SEC. 2. The second sentence of section 2 (a) of the act entitled 'An act to amend the Tariff Act of 1930' is amended to read as follows: 'The provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States (1) a foreign-trade agreement has been concluded, prior to the date of enactment of this amendatory section, pursuant to this act, or to any provision of any such agreement, or (2) a schedule has become effective after the date of this amendatory sentence.'

"SEC. 3. In the case of any foreign-trade agreement entered into prior to the enactment of this joint resolution pursuant to section 350 of the Tariff Act of 1930, the President is directed to cause the termination of such agreement on the earliest date upon which such agreement can be terminated without violating such agreement, and all modifications of existing duties or other import restrictions proclaimed by the President as required or appropriate to carry out such agreement shall terminate on the date of termination of such agreement."

Mr. GEARHART. Mr. Chairman, I am under no illusions with respect to what is going to happen to the amendment which I have just offered. Too many worthy amendments, each one of which would have greatly improved the legislation now under consideration, have been howled down by an intolerant majority to leave me in any doubt in respect to just what the fate of my proposal will be. But despite my

conviction that but scant consideration will be given at this stage of the legislative proceedings to anything that might be suggested for the improvement of the pending measure, I intend, nevertheless, to explain the amendment which I have proposed, since I am quite sure that that which I will have to say will be harkened to in the printed word far beyond the carrying limits of my voice, even though those with voting power sufficient to determine the result will not listen. None are so deaf as those who will not hear.

As I have often said heretofore, I believe sincerely in the philosophy of reciprocity, in reciprocal trading, if you please. It is because I do so thoroughly believe in the principle that I have as a consequence of considerable study and research evolved what I am quite confident is a constitutional procedure and a practical method of attaining the end which so many earnest citizens so devoutly desire; that is, true trade reciprocity.

Mr. COOPER. Will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Tennessee.

Mr. COOPER. May I ask the gentleman if the amendment to which he refers is his bill to provide for reciprocal-trade agreements to expand the foreign commerce of the United States, House Joint Resolution 463?

Mr. GEARHART. That is the joint resolution to which I refer.

Mr. Chairman, may I explain. Briefly, permit me to point out that, should the unexpected happen and my amendment in the nature of a substitute be adopted, the legislative prerogative would be by the Congress recaptured. No longer would the Chief Executive, at such times and in agreements with such countries as he may choose, be authorized to rewrite the tariff laws of the United States in accordance with his whims. Instead of exercising arbitrary power as a sole legislator he will become the constitutional agent of the legislative branch of the Government to the will of which he would be required to conform. The adoption of my amendment will vindicate the constitutional power of the Congress to legislate, to regulate interstate and foreign commerce, of the House of Representatives to originate all legislation affecting the revenues, as the Constitution specifically requires.

The power to negotiate with foreign governments is left with the President. He, as he does now, will perfect the agreement. His right to proceed in this regard will not be embarrassed because of the interference of any other branch of the Government, least of all of the Congress, once the United States Tariff Commission has found as a fact, after hearings and an opportunity to be heard, that our foreign trade is unduly burdened and restricted by either the tariff laws of the United States or of some other country and that there is probable cause for believing that the situation can be relieved through the negotiation of a trade agreement with a foreign nation.

If the President is successful in concluding an agreement with a given nation, it shall not go into effect until it has been approved by the Congress and its schedules are by it enacted into law. Then and then only can the President make due proclamation of the consummation of the agreement and place the new schedules in effect. Who will say that this procedure has not been devised in strict conformity with the very letter of the Constitution of our country?

The amendment which I offer provides for the generalization of the trade concessions we grant through a sane application of the most-favored-nation principle. Whenever the United States Tariff Commission, after hearings and a right to be heard, finds and reports to the President that a given nation is not discriminating against the free flow of American commerce, the Chief Executive may extend the agreement concessions so as to include the country so found not to be offending.

In view of the testimony of all of the witnesses who appeared before the Ways and Means Committee that every nation in the world was purposely discriminating against American commerce—some more than others, but all, nevertheless—it is absurd, of course, to extend our agreement concessions to any of them. Is it any wonder that dear old Uncle Sam is now more often referred to as "Uncle Sap, the world's public sucker No. 1"?

And they call it reciprocal trading. Trading? The nation we deal with gives us a horse and we in return give every nation in the world, 109 of them, a horse. If that is "hoss trading" there are a lot of Yankees that have not yet learned the finer aspects of the business. [Laughter.] Somehow some of us just simply cannot see how we are coming out ahead dealing that way. Maybe we are not bright. Far be it from me to offer any comments in respect to this "far better method" of international trading of which Mr. Hull and his boys are wont to boast none too modestly.

The procedure that I would have you write into law, my colleagues, is simple in all of its aspects. I have not attempted to explore unknown legislative fields. In order that precedents might be observed, I have borrowed the method already approved by the Congress in the Reorganization Act. The question upon which the Congress would be called upon to record its "yes" or "no" would be, in substance and effect, Shall the trade agreement with such and such a country be enacted into law? Certainly the following of such a procedure would not unduly delay the putting into effect of an agreement theretofore consummated. It has the simple virtue of constitutionality. But maybe that is not important any more.

Mr. Chairman, the adoption of this amendment would have one salutory effect, if no other. It would cause our negotiators to give some consideration to those with whose interests they have heretofore dealt so lightly. If they were made aware of the fact that their slashes were to be reviewed by the duly elected representatives of the people, I am sure that they would not be so quick to give away the American market to those that live on the other side of the world. Our farmers would not be today contemplating so unhappily the import-export record of that which has happened to the industry in which they are endeavoring to eke out what has become under the administration of the instant so-called reciprocal trade agreements law a most precarious one.

They assured us back in 1934, when the trade-agreements law was, as a bill, before the Congress, that it would expand the farmer's export market. And how has it worked out? Has the market been expanded? What does the record disclose? Not only has the market not been expanded, but in 1939 we find that agricultural exports were $77,817,000 less than they were in 1934, the year the program was adopted. As a matter of fact, agricultural exports were less than they were in 1932, the bottom year in the depression.

While agricultural exports were dropping off from 1934 to 1939 by 10.6 percent, what was happening to import of agricultural imports? During these same years imports jumped in the amount of $295,836,000, or by 36.6 percent.

To those who would pursue this sordid story further permit me to refer them to page 2758 of the hearings on this joint resolution before the Ways and Means Committee. There is recorded the sad story of a glorious dream gone sour. And the tragedy of it all finds its cause and origin in an unconstitutional law which ought never to have found its place on the statute books.

Let us wipe it out before all is lost. Adopt my amendment in the nature of a substitute and we will soon be on the way to better times. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. GEARHART].

The amendment was rejected.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on the pending resolution and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I object.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on the pending resolution and all amendments thereto close at 6 o'clock.

The question was taken; and on a division (demanded by Mr. MUNDT) there were—ayes 115, noes 74.

Mr. MUNDT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. DOUGHTON and Mr. MUNDT to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 148, noes 73.

So the motion was agreed to.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: Page 1, after line 8, add a new section reading as follows:

"*Provided*, That no agricultural product shall be imported into the United States or any of its possessions, under the provisions of section 350 of the Tariff Act of 1930, as amended by the act (Public, No. 316, 73d Cong.) approved June 12, 1934, unless the world price for such product, computed in United States currency, is at least equal to the parity price of any competing domestic agricultural product."

Mr. COOPER. Mr. Chairman, I reserve a point of order against the amendment. As I was able to catch the reading of the amendment, it is the same as an amendment previously considered.

Mr. MOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOTT. Since we have 30 minutes in which to dispose of 12 or 14 amendments, how will the time for the offering of all these amendments be arranged?

The CHAIRMAN. The Chair will do the best it can. It will depend on how much time is taken with other matters, such as teller votes and things of that kind.

Mr. MOTT. If the early amendments are considered and 5 minutes allotted to one side and 5 to the other, there will be no time for the consideration of the last half dozen amendments.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MASSINGALE] is recognized in support of his amendment.

Mr. MASSINGALE. Mr. Chairman, this is what my amendment undertakes to do. It simply provides that in making future trade agreements no farm commodities produced abroad shall be shipped into the United States and sold in competition with domestic products if the price of the domestic product is not higher than the cost of the imported article.

Mr. COOPER. Mr. Chairman, I withdraw my reservation of the point of order.

Mr. MASSINGALE. I may say to the gentleman that the amendment has not been offered before in the terms in which I have offered it, and it is not subject to the criticism that it leaves this matter in the discretion of any one person. It just simply forbids the importation of those competitive articles that are grown by foreign farmers and are brought into this country to be sold in competition with the products of the American farmer. That is all it does.

You gentlemen may not take this matter seriously. We have had all day here to present this matter. The members of the committee have taken up the entire time. Those not members of the committee have not been given a look-in. Now, when you come to the close of the consideration of the resolution you clamp down with a hard-and-fast rule which shuts them out and seals the lips of any man who wants to get up here and speak in the interest of some class that is not apparently represented in this Congress. You have not done right by the farmer of the United States.

I concede that I believe in the Hull trade-agreement program. I believe it is a wonderful program for the American farmer. However, Secretary Hull may not live any longer than you and I are going to live. We cannot tell about that. I believe he is a great Secretary of State. I believe he is honest, and I believe he is a statesman who wants to do something for the American farmer. But unless you give the farmer the modicum of protection which this amendment of mine offers to him, he has no security whatever, he has no protection, he is at the mercy of anybody who happens to come along and become Secretary of State. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MASSINGALE) there were—ayes 50, noes 70.

Mr. MASSINGALE. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. PETERSON of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON of Florida: Page 1, at the end of the joint resolution, strike out the period and insert a comma and the following: "That in the negotiation of any new agreement or agreements under the authority of section 350 of the Tariff Act of 1930 as amended by the act, Public, No. 316, Seventy-third Congress, or under the authority granted by the extension of the act under this joint resolution or in the renewal or extension of any existing agreement under authority of said act or any extension or renewal thereof, the tariff or import duty upon all agricultural or horticultural products shall be maintained at a point which will at least equalize the difference in cost of production thereof in the country or countries dealt with and the United States as determined by the United States Tariff Commission as of the date any such new or extended agreement becomes effective."

Mr. PETERSON of Florida. Mr. Chairman, the intent of this resolution was to do in part what was intended by the Massingale amendment, which I supported, except that I have to provide specifically for the difference in cost of production as between the foreign areas and the domestic areas. Florida in particular has felt the pinch because of the trade agreement with Cuba, but what is applicable there has been applicable in a number of agricultural sections of the United States.

In the 2 years following the effective date of the Cuban trade agreement we saw a very rapid fall-off in the production of tomatoes, cucumbers, eggplant, and other products, while at the same time imports from Cuba were rapidly increasing. Florida, within the 2-year period after the negotiation of the trade agreement with Cuba, lost 14 percent in the shipment of tomatoes while Cuba gained 53 percent. Florida lost 21 percent in the shipment of peppers and Cuba gained 358 percent. Florida lost 40 percent in the shipment of eggplant and Cuba gained 105 percent.

What I say is equally applicable to what has been shown by the statements made today by my colleague the gentleman from Florida [Mr. CANNON], in which he showed the reduction in the tariff on agricultural products and the increase in the shipments from Cuba.

This not only affects us but it hits every agricultural section, likewise, in one way or another. It is one thing to sit around the table and say that we will work out an agreement in which we will take those products which you have and give you those which you need, but it is another thing to sit around the table and allow to come into this country products that are in competition with those of our own farmers, when we already have a surplus in this country of those particular products. [Applause.]

Florida is a good customer of the other States. We buy approximately $400,000 per year from our sister States. Our people own one automobile for every five persons. We did not manufacture these in Florida—we bought from you. Radios, farm machinery, manufactured articles of various kinds we buy from you. Yes; even considerable farm products.

Not only have we felt the pinch with reference to vegetables, but cement has been virtually dumped there. Let us apply the good-neighbor policy to Florida. I will appreciate your support of this amendment. [Applause.]

Mr. WEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course, in the negotiation of so many trade agreements inequalities creep in occasionally. That might be true in the case of tomatoes in this particular instance of which the gentleman from Florida has recited. I have talked with the Secretary of State in regard to this and he assures me he will make a careful investigation of these cases; that is, in connection with the trade agreements

with Cuba; and, after a careful investigation, if it is found that there is an inequality existing and that prices of these vegetables in the United States are being hurt, he will correct it under the escape clause. Therefore, this amendment is not necessary, and I ask that it be voted down. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

Mr. SCRUGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 1, line 8, after the period, insert the following:

"If at any time an established domestic industry as a whole shall be damaged as a result of the inclusion of its product in a reciprocal-trade agreement, the President shall institute negotiations with the signatory country seeking to withdraw or sufficiently modify the concession made upon that product to remedy the damage inflicted upon said established domestic industry.

"Damage to an industry under this section shall be determined by the Court of Claims of the United States upon complaint of any representative of an industry directed against the United States and setting forth the nature and extent of such damage. A copy of such complaint shall be served upon the Attorney General of the United States, and such service and proceedings in the Court of Claims hereunder shall be given priority and shall be under such rules as the Court of Claims may adopt."

Mr. COOPER. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Nevada [Mr. SCRUGHAM] wish to be heard on the point of order?

Mr. SCRUGHAM. Mr. Chairman, I would like to know on what grounds the point of order is made. The amendment is certainly germane.

The CHAIRMAN. From a casual reading of the amendment the Chair would call the attention of the gentleman to the fact that it is retroactive, which might be one ground of the point of order. Does the gentleman from Tennessee desire to state the grounds of his point of order?

Mr. COOPER. I do not desire to detain the Committee and the Chair further than to point out that the amendment contains provisions with respect to making it retroactive and, further, brings in entirely different and irrelevant matters, entirely foreign to the purposes of the resolution under consideration and, of course, is not germane to it.

The CHAIRMAN. The Chair is constrained to sustain the point of order.

Mr. SCRUGHAM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

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

There was no objection.

Mr. SCRUGHAM. Mr. Chairman, I wish to offer the following amendment to House Joint Resolution 407:

Strike out the final period in the resolution and add the following:

Provided, That there shall be inserted in the act, as section 350, part (c): "If at any time an established domestic industry as a whole shall be damaged as a result of the inclusion of its product in a reciprocal-trade agreement, the President shall institute negotiations with the signatory country seeking to withdraw or sufficiently modify the concession made upon that product to remedy the damage inflicted upon said established domestic industry.

"Damage to an industry under this section shall be determined by the Court of Claims of the United States upon complaint of any representative of an industry directed against the United States and setting forth the nature and extent of such damage. A copy of such complaint shall be served upon the Attorney General of the United States, and such service and proceedings in the Court of Claims hereunder shall be given priority and shall be under such rules as the Court of Claims may adopt."

The purpose of my amendment is to insure that members of the trade-agreements organization will live up to the policies that they have stated to be their own, by providing some recourse to affected parties if these policies are not carried out.

The hearings of the Committee on Ways and Means demonstrate that a number of industries, including the producers of livestock, lumber, fish, zinc, manganese, oil, wool, dairy products, fur, laces, shoes, vegetables, and textiles, have complained of injury to the Committee for Reciprocity Information and to the State Department, and have been turned away without satisfaction. At the same time, they and the Members of Congress are constantly assured that the trade-agreements program is not a process of robbing Peter to help Paul, and that the most painstaking, expert care will be taken to prevent injury to domestic industries. Liberal reference is made to the escape clauses in the various agreements through which domestic industries can be safeguarded.

It is true that the trade agreements contain clauses which permit duty concessions to be withdrawn under certain conditions. The difficulty seems to be that the State Department cannot be induced to invoke these escapes when their conditions are fulfilled. For example, the Canadian treaty includes the following:

ARTICLE XIV

The Government of each country reserves the right to withdraw or to modify the concession granted on any article under this agreement, or to impose quantitative regulations on the importation of any such article if, as the result of the extension of such concession to other foreign countries, such countries obtain the major benefit of the concession, and if in consequence imports of the article concerned increase to such an extent as to threaten serious injury to domestic producers.

The case of the zinc industry completely fulfills the conditions of this escape clause, but in spite of oppressive conditions resulting from the Canadian agreement no action has been taken. Imports have increased tremendously and the benefits are going principally to Mexico, not to Canada with whom the agreement was made.

In the case of manganese, a concession was made to Brazil, which was not and is not the principal source of imports. As described by my colleague [Mr. DISNEY], the concession on oil to Venezuela violated an understanding with Congress, and damaged the independent producers of this country. I wish every member would read, on pages 2179 to 2201 of the Ways and Means hearings, the various ways in which the lace industry has been damaged by uninformed consideration of concessions, third-country benefits, and drastic alteration of exchange rates. Over a period of 6 years, 22 agreements have been made, involving hundreds of tariff rate reductions, but not a solitary attempt has been made to protect our own industries and labor by using these widely advertised escape clauses.

There was one very recent action, not under an escape clause, but in a separate agreement, where a relatively minor industry, fox furs, was provided some relief. Even in this case nothing was done during the many months that fox farmers were complaining of damage, but only when wartime conditions caused a genuine avalanche of imports which promised to wreck the domestic industry completely.

All of the agreements contain provisions permitting cancelation or modification if exchange rates are substantially altered. There are numerous examples where this has actually occurred, but not a single treaty has been canceled or amended for this reason.

There are some aspects of this unconditional most-favored-nation treatment that I cannot understand. Other countries continue to make discriminatory bilateral arrangements, to impose new duties, to hamper our trade, and to violate fundamental human rights, but we continue to grant them the important benefits of most-favored-nation treatment. There must have been other parties to Germany's bilateral agreements, such as Brazil and Mexico, that were equally guilty of discrimination. Today Great Britain is dealing in blocked exchange, and is interfering with our trade in wholesale fashion. Argentina openly admits that it grants special treatment to British trade. We did nothing when Great Britain raised its zinc tariff, to which Canada is exempt, shortly after we had made Canada a concession on zinc. Granting that many of these violations of the spirit of most-favored-nation treatment are made under duress of one kind or another, it does not follow that the harmful effect on our own trade is any less real.

In recent years, it has suited Japan to rape China and to outrage our own citizens. Italy has seized Ethiopia and

Albania. Russia has violated Poland and is invading Finland. I do not believe that we are obliged to declare war on these international bandits to right the wrongs of their victims, but I cannot agree that they should continue to enjoy gratis the same concessions we gave nations who paid something in return.

When the war ends, and the nations of the world engage in frantic and unprincipled efforts to grab as much as they can of the world's trade and to throw their exports into our market to obtain some real money, we shall be bound by these trade agreements, and our unconditional most-favored-nation policy will prevent us from protecting our domestic industries. I submit that our people are entitled to the safeguard which my amendment is designed to give them.

Let me repeat that this amendment asks nothing of the trade-agreements organization that the State Department has not asserted to be their own policy. If these statements are made in good faith, they should not object to this amendment. If not, it is our duty to provide some means whereby distressed industries can obtain relief if they are actually damaged and cannot obtain reparation.

Mr. WHITE of Idaho. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

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

There was no objection.

Mr. WHITE of Idaho. Mr. Chairman and members of the Committee, I rise in support of the amendment offered by my colleague the gentleman from Nevada [Mr. SCRUGHAM]. From the experience of the people I have the honor to represent, and from my personal observation as to the effect of the reciprocal-trade agreements on the industries of my State of Idaho, it is apparent that changes in the nature of perfecting amendments to the pending measure are necessary.

One of the most reassuring pronouncements made by our President in his address to the Nation was the statement that experiments would be tried and that, when mistakes were made, they would be corrected. The amendment that has been offered here provides a way to correct mistakes made in negotiating reciprocal-trade agreements, and I am sure that if Members of the House in charge of this legislation fully understood the effect of some of the concessions made under the trade agreements that have been negotiated, they would cooperate and not resort to obstructive tactics to prevent the consideration of this much-needed amendment. I want to call the attention of the Committee to some of the provisions of the legislative program adopted by the farm organization, the National Grange, and presented to the resolutions committees of both the major political parties at the last conventions for consideration in drafting the party platforms.

The American market must be guaranteed to the American farmer on all commodities that can be efficiently produced in any part of the United States.

(a) Establish facilities for controlling agricultural imports through permits, such permits available only upon showing of actual need and noncompetition with American farm products.

(b) Rewrite reciprocal-treaty legislation, providing ratification by the Senate and repeal of unconditional most-favored-nation clause.

(c) Eliminate much of the agricultural free list.

There must be recognition of the principle of price parity, as between the products of agriculture and industry in the domestic market. Provision should be made for tariff adjustments to benefit producers of export crops and to place agriculture on a basis of equality with tariff-protected industries.

We favor Government support in exportation of surplus crops; in research for new industrial uses for farm commodities; for the development of nonfood uses for farm products; and for the introduction and development of new crops to employ, wherever profitable, surplus land and labor.

And as a result of the experience of our farmers with the reciprocal-trade agreements, the National Grange in its 1940 legislative program, just issued, states:

THE AMERICAN MARKET

Since many artificialities and restrictions have been imposed upon our system of free enterprise during recent years which operate to increase our cost of production and of doing business, and since it is useless to attempt to maintain these artificial standards while permitting unrestricted competitive imports from countries where substandard labor conditions exist, and where costs of production are lower than the United States, it is manifest that proper steps must be taken to protect American interests. Under prevailing conditions, we favor the levying of excise taxes on all imports on the dutiable list when the landed cost of such goods falls below the American wholesale selling price. *Provided, however,* that this rule should only apply to imports of commodities that are commercially available within the United States.

RECIPROCAL-TRADE AGREEMENTS

The reciprocal trade agreements program has caused serious damage to American agriculture. It has depressed farm prices by encouraging imports of competitive products from countries where substandard labor conditions prevail. It is wrong in principle and violates the Constitution. It should not be renewed when it expires by its own limitations on June 12, 1940.

Mr. Chairman, we find that mistakes have been made and certain industries in this country have been damaged. I quote from a letter just received from President James F. McCarthy of the great Hecla Mine, located in my State:

I have written you on several occasions concerning the unfortunate effect on the reciprocal-trade agreement with Canada on the zinc industry in this country. The agreement provided for a reduction in the tariff on zinc of $7 per ton. Shortly following the reduction in this tariff, the freight rate from London was reduced about $3 per ton.

Immediately upon the signing of this agreement, the price of zinc fell.

It is clearly apparent that a mistake has been made in dealing with the great zinc-producing industry, and Mr. Chairman, the attention of the Department of State has been repeatedly called to the adverse effect of the concessions that have been made to Canada and extended to other foreign countries producing zinc under the most-favored-nation clause. The facts concerning zinc have been presented to the State Department repeatedly in a consistent effort to correct this situation, but without results. Now, that the Members of the Committee may know something of the efforts that have been made to persuade the State Department to correct its mistakes as to zinc and safeguard the future of the mining industry, I am inserting here a letter addressed to Counselor Moore, of the State Department:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON IRRIGATION AND RECLAMATION,
Washington, D. C., February 17, 1940.

Mr. R. WALTON MOORE,
Counselor of the Department of State, Washington, D. C.

DEAR MR. MOORE: Reference is made to the policy of our Government in negotiating reciprocal-trade agreements and the effect of the reduction of the tariff on zinc in the trade agreement negotiated with the Dominion of Canada and extended to other nations under the most-favored-nation clause.

In considering this program I may explain that the importance of foreign trade in our national economy and the stabilization of national income by finding a market for our surplus production which places purchasing power in the hands of our domestic consumer is understood and appreciated.

In working out a national program to effectuate the policy of exchanging commodities with other countries under the constructive plan of the State Department it is apparent that our efforts should be directed to building up our industry and improving business conditions by the exchange of such products as will prove the least injurious to our business system.

When we consider the effect of the importations of zinc and the decline in the price of the metal, we find that the tariff reduction has been a serious blow to the entire domestic industry and has resulted in closing a number of producing mines, the curtailment of the operation of others, and has added to the ranks of the unemployed.

The uncertainty as to the future of domestic zinc prices has placed a barrier on the development of the zinc-mining industry in Idaho and in the State of Washington, where plans have previously been undertaken for the expenditure of several hundred thousand dollars that would open new mining districts and put a large number of men to work permanently. When we consider the objective we seek to achieve by the program of trade agreements to enlarge our markets and improve domestic business conditions, it is apparent that the damage resulting from the reduction of the tariff on zinc under these agreements exceeds any compensating benefits, and reduces our tax revenues. In contrast to our policy in dealing with zinc, it is reassuring to find that the safeguards protecting the domestic price of copper and lead have been maintained in negotiating trade agreements where these metals were involved, a plan that is logical, constructive, and has a stabilizing effect on the mining industry.

I am sure that when the effects of the tariff reductions on zinc as demonstrated is given the consideration of your Department the mistakes that have been made will be corrected and the intent of the law will be carried out in line with the assurance given when these treaties were negotiated. This plan is in harmony with the expressed intention of the President at the time of his inauguration when he said in discussing national policies that experiments would be tried and when mistakes were made they would be corrected. The adverse effect of the trade agreement on the zinc industry clearly indicates that a mistake has been made, and I earnestly urge that your Department take prompt action to restore the tariff on his metal. This will improve domestic market conditions and restore confidence in the future stability of the zinc mining industry.

Sincerely yours,

COMPTON I. WHITE, M. C.

In view of the circumstances outlined, surely there is need for the amendment proposed by my good colleague the gentleman from Nevada, Congressman SCRUGHAM.

Mr. HARRINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRINGTON: Strike out the final period and substitute a comma and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to grant any concession or to bind on the free list or to establish any quotas or to make any reductions in the present rates of dues, nor does it include any authority to make any change with respect to any production of foreign growth which when imported into the United States would compete with domestically produced American agricultural produced vegetable oils and animal fats."

Mr. HARRINGTON. Mr. Chairman——

Mr. SCHAFER of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Iowa yield for a parliamentary inquiry?

Mr. HARRINGTON. I refuse to yield, Mr. Chairman.

Mr. H. CARL ANDERSEN. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. I make the point of order, Mr. Chairman, that since the agreement limiting debate, four gentlemen from that side have spoken, while we have had no opportunity on this side to present an amendment.

The CHAIRMAN. If the gentleman had kept tally with respect to recognition of Members on both sides of the aisle, he would have realized that the Chair had recognized five gentlemen from the Republican side hand running and had refused to recognize any Member on the Democratic side.

Mr. HARRINGTON. Mr. Chairman, the support of the joint resolution being discussed has been urged upon this body by the members of the Ways and Means Committee because of the tremendous benefits which will accrue to American agriculture from the extension of the trade-agreements program which they seek. I have, and am, supporting the trade-agreements program, but the Secretary of State, as well as a chairman of the Committee on Ways and Means, have advised this House of their desire to do everything possible in order to protect the home markets of the American farmer.

They have pledged that as far as is consistent with national policy to protect our farmers from the competition which would result from increased imports resulting from the adoption of this Joint Resolution or, the granting of more concessions on agricultural products in making further agreements. Therefore, Mr. Chairman, they should not oppose this amendment.

The amendment which I have offered is not in any sectional interest but in behalf of American farmers in every State of the Union. It is of equal and direct interest to the corn farmer, the hog raiser, the dairy farmer, to the cotton, peanut, and planters of soybeans, and indirectly to every farmer in the United States.

Mr. Chairman, American hog lard, which for centuries has built the brain and brawn of the American people, is now such a dreg in the domestic markets of the United States that the reports of the Department of Commerce actually show that it is being bought by the soap manufacturers and dumped into soap kettles because overburdening surpluses have driven hog lard prices to the lowest in 73 years.

Mr. Chairman, in the terminal markets of Sioux City, the center of that great metropolitan area which constitutes the very heart of the American corn and hog belt, market conditions were so deplorable that within the past week hogs sold for as low as $4.25 per hundred pounds, while the top prices received for the prime porkers was only $4.95.

Mr. Chairman, the Mississippi Valley Corn Belt today has wrapped up in hides and on the hoof, ready to walk into our markets, the greatest crop of hog lard ever produced in a single year in the United States of America.

The recent condition of the lard industry has been so bad that the Federal Surplus Commodities Corporation in recognition of that fact declared lard to be a surplus commodity and to assist its producers by removal of surpluses have placed it under the orange and blue stamps for disposal to those on relief.

Mr. Chairman, I repeat that there is not a farmer in the United States whose income has not been adversely affected by ever-increasing imports of foreign oils and fats and by the present crop and carry-over of hog lard.

The present decline in price is not so much due to the loss of the foreign markets historically enjoyed and which formerly absorbed the exportable surplus of this production as much as the injury done by the use of lard substitutes produced from foreign oils and fats here in the United States.

Subsequent to the great droughts which occurred in the Corn Belt in the year of 1934 and 1935, coupled with the reductions made on the 1930, the 1932, and 1934 rates of duties and excise taxes under the reciprocal trade agreements program, the country has been flooded with devastating quantities of vegetables and animal fats brought here by the boatload from all four corners of the earth.

Mr. Chairman, hear me now on this! The excise taxes which this amendment proposes to protect against any reduction under this resolution were not imposed by any Republican Congress or Republican administration. They were imposed by a Democratic Congress in order to protect the American farmer and agricultural producers.

The condition of scarcity resulting from the drought opened up new markets to land and butter substitutes and compounds on a scale never before known.

Through the profits made in the sale of cheap foreign oils the manufacturers of lard and butter substitutes began an intensive advertising campaign both in the press and over the air, as well as to distribute free samples of their product. As a result of this the diet of the American people had been changed.

No longer does the great steam bakery which now supplies the bread for this Nation shorten that bread as our bread food was historically shortened, by use of hog lard. They now use lard substitutes or shortening compounds. No longer are American doughnuts, American fish, or other foods fried in hog lard. They are fried in vegetable oils.

Over the air at any time of the day you can hear the commercial program of one concern telling of the virtues of their type of a crispy, flaky, creamy shortening made out of pure vegetable oil, while simultaneously on another national hook-up other great corporations are advertising their products of lard and butter substitutes, made from other jungle nut and seed oils hauled here by the boatload from the Orient.

The corn growers of America are not alone faced with the loss of the German markets into which they annually shipped 325,000,000 pounds of lard. They are now actually faced with a loss of other foreign markets for American hog lard yielded up to the use of vegetable oils in foreign lands. Thus our farmers have lost both their domestic as well as their foreign markets for lard and that precious food product which, as I have before stated, has furnished the brain and brawn of our people is now actually being put into soap kettles to be rendered into soap.

Mr. Chairman, not alone is every farmer that cultivates his land to corn suffering from the reductions made on foreign oils and fats, but every dairy farmer and livestock producer, every "stocker" and "feeder," is similarly suffering. The

identical oils that are now being made into lard substitutes can, by being chemically treated, deodorized, decolorized, hydrogenated, be similarly transformed into oleo and nut margarine, mayonnaise dressing, and other butter substitutes and spreads, and thus displace from the domestic "margarine industry" domestically produced oils and fats.

These foreign oils displace the use of our own domestically produced cottonseed, peanut, corn, and soybean oil, as well as the use of the rich caul fats, a product of our American livestock herd. These products have heretofore been the raw materials which constituted the bulk of the raw products used in the domestic production of all oleomargarine.

Mr. Chairman, it is easy to see the interest which the Members of this House, representing corn farmers from whose product corn oil is produced, should have in this amendment.

There is not a Representative from a livestock or a dairy district in the whole United States who should not support this amendment.

I venture to say that there is not a Member on this side of the House representing the great cotton and peanut producing areas of the Southland, the income of whose farmers are so much dependent upon their domestic markets for cottonseed and peanut oil, but who will find vast interest in this amendment.

The Representatives from the States which border the Atlantic and Pacific Oceans, whose great fishing fleets annually produce hundreds of millions of pounds of fish, as well as other marine and aquatic animal oils, should be in favor of and support of this amendment.

I repeat that the adoption of this amendment by this body, Mr. Chairman, is of vital interest to every agricultural producer and Representatives of every agricultural district in Congress.

Mr. Chairman, I should like to read a telegram from the Association of the Southern Commissioners of Agriculture. That asscciation made up of the 13 commissioners of agriculture from the 13 southern cotton-producing States are not interested in the political implications which might be found in this bill. They are the direct representatives of the agricultural producers of our Democratic South. They are not theoretical farmers, they are men who virtually standing between the plow handles from the furrow of the plow speak out in behalf of their constituency.

It is not often that the Southern Agricultural Commissioners address this body. I, however, have come to learn that when they do I know it is upon some matter vital to the southern farmer, if not American agriculture in general.

I now read the telegram from the Southern Agricultural Commissioners:

FEBRUARY 23, 1940.

The Honorable VINCENT E. HARRINGTON,
House Office Building, Washington, D. C.:

We heartily endorse your amendment to prevent the further reduction of tariff on agricultural products.

The National Association Commissioners, Secretaries, and Directors of Agriculture are also on record as against further reduction of tariffs on farm products.

(Signed) HARRY D. WILSON,
Commissioner of Agriculture, State of Louisiana; President of the Association Southern Commissioners of Agriculture.

Let me now read a telegram from the National Grange, America's oldest, its most historic, and venerable farm organization with a membership of over 800,000 farmers. I received this telegram from Mr. Fred H. Brenckman, Washington Representative of the National Grange.

The Honorable VINCENT E. HARRINGTON,
House Office Building, Washington, D. C.:

The National Grange heartily endorses your amendment to prevent any further reductions in duties excise or other imports or the further binding upon the free list of any and all foreign agricultural products which are directly competitive with or substitutes for the products of American Agriculture.

* * * * * * *

FRED BRENCKMAN.

Let me now read a telegram from the Farm Bureau Federation. This is signed by George Mohrhauser, president of the Woodbury County Farm Bureau Federation. This telegram reads:

SIOUX CITY, IOWA, *February 23, 1940.*

VINCENT HARRINGTON,
United States Representative:

We approve your amendment to bill extending Trade Agreements Act.

WOODBURY COUNTY FARM BUREAU.

SIOUX CITY, IOWA, *February 23, 1940.*

Hon. VINCENT HARRINGTON,
House of Representatives:

We are opposed to any lowering of tariff or excise tax on any and all foreign vegetable oils and fats. We do not believe that these oils or fats should be allowed to compete with oils and fats produced from crops raised in our own country.

A. A. HELDRIDGE,
President Sioux City Livestock Exchange.

SIOUX CITY, IOWA, *February 23, 1940.*

Hon. VINCENT HARRINGTON,
House of Representatives:

There is an enormous surplus of lard. Hogs are selling far below cost of production. Farmers are suffering severe financial losses and conditions will become worse if imports of vegetable oils and fats increase. This will happen if present tariff rates are reduced. Anything you can do to help the farmers in this crisis will be greatly appreciated.

WM. J. DOWNEY.

BATON ROUGE, LA., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
Member of Congress:

We heartily endorse your amendment protesting the further reduction of tariff on agricultural products. The National Association of Commissioners, Secretaries, and Directors of Agriculture are also on record as against further reduction of tariffs on farm products.

HARRY D. WILSON,
President Southern Commissioners of Agriculture.

LANSING MICH., *February 23, 1940.*

Hon. VINCENT HARRINGTON,
United States Congressman, House Office Building:

We favor Harrington amendment to trade agreement now before Congress.

E. A. BEAMER,
Commissioner, Michigan State Department of Agriculture.

CAMILLA, GA., *February 23, 1940.*

Hon. V. F. HARRINGTON,
Member of Congress:

Understand you proposing amendment reference to amendment prohibit reduction any duty or excise tax on any foreign oils which compete with our domestically produced oils and fats. This association as a general policy is opposed to reduction of import duties on any foreign oils and fats which compete with those we produce domestically.

ROY E. PARRISH,
Manager, G. F. A. Peanut Association.

TOPEKA, KANS., *February 23, 1940.*

Congressman HARRINGTON,
House Office Building:

Heartily endorse recommendations of National Association State Commissioners of Agriculture at Chicago last December relating to tariffs on agricultural imports.

J. C. MOHLER,
Secretary, State Board of Agriculture.

KANSAS CITY, MO., *February 23, 1940.*

Congressman VINCENT F. HARRINGTON,
House Office Building:

Desire express our approval your bill to prohibit fats being included in any trade agreement. Sincerely hope Congress will do everything possible protect this extremely important product.

SAM H. RAY,
United States Livestock Association.

TALLAHASSEE, FLA., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
Member of Congress, Washington, D. C.:

This is to say that I endorse the resolution passed by the National Association of State Commissioners of Agriculture in convention at Chicago December 7 committing the convention as being opposed to the reduction of taxes or tariffs on commodities that compete with crops and livestock produced in this country.

NATHAN MAYO,
Florida Commissioner of Agriculture.

AUSTIN, TEX., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
Member of Congress:

I appreciate your amendment and efforts against the reduction of excise taxes or import duties on foreign agricultural livestock or horticultural imports.

The American farmer pays taxes to support the Government and furnishes sons to defend the country and is entitled to the American market and should have the protection from importation of foreign articles produced by pauper labor.

J. E. MCDONALD,
Texas Commissioner of Agriculture.

WASHINGTON, D. C., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building, Washington, D. C.:

We heartily approve your amendment to safeguard excise taxes on fats and oils against reductions under trade-agreement program. It is in line with long time stand of agricultural producers of this country.

F. E. MOLLIN,
Secretary, American National Live Stock Assocation, Denver, Colo.

SIOUX CITY, IOWA, *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building:

We oppose any reduction of present tariff rates or excise taxes on any and all foreign vegetable oils or fats that compete with crop produced in this country.

T. J. KIRBY,
President, National Live Stock Exchange.

LINCOLN, NEBR., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building, Washington, D. C.:

We understand that you are introducing bill excluding lowering excise taxes on fats and oils in reciprocal-trade treaties. We wish to congratulate you and think it a very wise bill.

C. W. SWINGLE & CO.

WICHITA, KANS., *February 23, 1940.*

Hon. VINCENT F. HARRINGTON,
House Office Building, Washington, D. C.:

Approve your stand on fats and oils in reciprocal-trade agreements.

O. J. EASTMAN,
President, The Wichita Desiccating Co.

SIOUX CITY, IOWA, *February 23, 1940.*

Congressman VINCENT F. HARRINGTON,
House Office Building:

Your amendment in regard to excise tax on fats and oils meets our approval. Should be extended to parity.

CARL H. WILKEN,
Secretary Raw Materials National Council and President Progressive Farmers of Iowa.

I have received several other telegrams and want now to submit them as part of my remarks.

I have today had telegrams and telephone calls from farm and agricultural organizations all over the United States lending their endorsement to this amendment and asking that this House support the amendment.

They ask that we protect the American farmer from competing with the European peasant, the Chinese coolie, and the South American and Philippine Island peon labor. They feel as I do, that the labor positively threatens to not alone abate but actually to extinguish the income of every American farmer heretofore derived from the sale of oils and fats because of the new use and increased imports of foreign oils and fats in the domestic markets of the United States. [Applause.]

THE TRADE-AGREEMENTS PROGRAM MUST BE EXTENDED

Mr. KEFAUVER. Mr. Chairman, American citizens throughout the country may well view with mingled emotions of anxiety and concern the palpably partisan political twist that has been injected into the debate growing out of the proposal to extend the reciprocal trade agreements program for another 3 years. During the long course of our political history as a nation, the tariff issue has been, and to a large extent still is, a favorite device for confusing and misleading the American voter. Members of the minority party, discovering it is impossible to disparage the program if recourse is had to factual data, have marshaled their efforts to the manufacturing of scares and catch slogans in order to create opposition to our esteemed Secretary of State, Cordell Hull's, patient and untiring efforts to expand our foreign commerce—an indispensable element to our national prosperity—by reciprocity foreign trade relations. The chief snare used by the opposition party to trap the unsuspecting innocent citizen into opposing the Hull policy of reciprocity, although it is entirely in line with the best American traditions, is the emotionalism with which they have dressed their reckless charges.

The object of the reciprocal trade agreements program has consisted in promoting commerce among nations through the reciprocal reduction of tariff barriers. Like all economic problems affecting every phase of our national economic life, it should be approached dispassionately and free from partisan political considerations. Whether the trade-agreements program ought to be extended for another 3-year period requires, in the best interests of the entire Nation, an abandonment of partisan political manifestations which have characterized our tariff policies in the past. It is a determination which calls for statesmanship of the highest order, and, if we who compose the present sitting Congress fail to meet this requirement, if we do not look beyond the selfish arguments of special-interest groups and consider the national welfare of our country as a whole, we will have rendered a disservice to this country which will have evil consequences for many years to come.

Prior to the adoption of the original Trade Agreements Act in 1934, world trade had dried up to a mere trickle. Temporary and emergency measures, forced on governments by the necessities of the sequence of events following the World War, particularly by disorders in currencies, heavy debt burdens resulting from the exigencies of prosecuting the war, the necessity of rehabilitating the millions of demobilized soldiers, gradually took the form of policy and became fixed systems. Our Nation emerged from that bloody conflict a creditor nation, moreover, spared the burden and heavy cost of reconstructing the physical devastation of the war. In short, we were the only nation possessing the physical means to restore the world's economic activity and bring order out of chaos. But, rejecting the sound counsels of our most able economists on the ground of impractical theory, the Republican leaders, in whose hands the destinies of our country rested, chose deliberately and unwisely to restrict our imports, while trying to maintain our export markets by lending European countries more billions of dollars with which to pay for our farm and factory products. Instead of lowering our tariffs at a time when we ought to have imported greater quantities of foreign products in exchange for our commodities, we raised them, first by the Emergency Tariff Act of 1921, and later by the Fordney-McCumber Tariff Act of 1922, to be followed 8 years later by one of the most costly pieces of legislation in the entire history of our country—the Hawley-Smoot Tariff Act.

Foreign countries which had been profitable foreign markets for American farm and factory products, finding insurmountable restrictions against their products in our markets, quickly retaliated with severe trade reprisals restricting American products in their markets to absolute necessities. In truth, the Hawley-Smoot tariff achieved maximum effectiveness in destroying our foreign trade, and minimum in promoting national welfare and prosperity.

I wish now to call attention to the action taken by our very best foreign customer, not after the Hawley-Smoot tariff became a law but while it was being written into law. I wish to quote one or two brief paragraphs from a book entitled "Tariff Retaliation," by Joseph M. Jones, Jr., who in 1932 was given a traveling fellowship by Pennsylvania University to spend 2 years abroad studying international trade and international relations, and whose 2 years' studies were published by the University of Pennsylvania Press in 1934 under the title given, "Tariff Retaliations."

At page 176 I find this statement:

The mutilation of the billion-dollar market that was Canada may be regarded as the most deplorable and the most costly single fruit of the Hawley-Smoot tariff. That the Congress of the United

States should deliberately antagonize and alienate every element in that Canadian population which purchased in 1929 nearly $1,000,000,000 worth of American products, that Congress should provoke the Canadian people to a fury of economic nationalism, will doubtless rank as one of the greatest economic blunders in American tariff history. It furnishes the most classic of the short-sighted and sectional manner in which our tariffs are made with absolute disregard for the interests of the Nation as a whole.

If there is any country in the world with which it is essential for the United States to maintain friendly trading relations, that country is Canada. In the first place that country is by far the most important customer of the United States, having purchased American products in 1929 to the value of $948,501,000, while the United States purchased Canadian products in the same year of a little more than half that amount, $504,277,000.

And, on page 178 I find this statement:

A storm of resentment and indignation swept over Canada as the discussion of the proposed tariff duties took place in Washington. The reaction was so strong as to force the traditionally low tariff, pro-American liberal government of Canada to report and pass in May 1930 a tariff bill radically increasing tariff rates directly affecting some $250,000,000 of our exports to Canada, enlarging British preference, and establishing automatic reciprocal duties against our tariffs on agricultural products. This "stolen thunder" from the conservative party did not, however, serve to stem the tide of reaction in Canada. Exploiting the prevailing public temper against the United States in Canada, the conservative party swept neatly into power as a result of the general election of August 1930 upon a platform which promised still higher tariffs against the United States. Since the beginning of the conservative regime, there have been no less than three general tariff increases in Canada, the last accompanying the Ottawa agreements of 1932, and no amount of rationalization can conceal the facts that in all these tariff increases the chief object of the government has been to produce in Canada as many as possible of the products formerly imported from the United States and divert the remainder to Europe or reciprocating channels. Economic nationalism in Canada, taking its cue from the United States, has become triumphant.

During the first day's debate on the House joint resolution to extend the trade-agreements program, I listened with considerable dismay to the minority party's intemperate challenge to the Democratic Party's lack of courage to repeal the Hawley-Smoot Tariff Act. Let me say to the Republicans in words as forceful as may be, that if the present Democratic administration had desired to be as reckless with the welfare of our country as the preceding Republican administration had been in enacting the Hawley-Smoot tariff, courage was not lacking to repeal the law. The purpose of the reciprocal trade agreements program consists in stimulating profitable foreign commerce between all nations, not in opening our home markets to unrestricted foreign competition. Unilateral tariff revision on the part of the United States offered no assurances that foreign nations would take reciprocal action to modify their trade barriers against our commerce. To suppose that foreign nations in consideration of the principles of Christian charity would have followed our lead and modified their own barriers established to restrict imports of foreign merchandise in their markets smacks of the same spurious reasoning that fathered the thought that as soon as the Hawley-Smoot tariff bill became law, confidence would be immediately restored and foreign reprisals would vanish into thin air. What a disillusion!

At the time of its enactment the Trade Agreements Act was not only the choice of all the possible courses of action with respect to tariff revision, but it was the only one having the elements requisite to success.

Realizing that under the existing conditions of excessive restrictions and interferences to foreign commerce which crisscrossed the channels of trade at the time the Trade Agreements Act was first enacted in June 1934, Congress could never be expected to modify tariffs with surety of reciprocal action on the part of foreign nations, the President asked and received authority from Congress within very well defined limits for the Department of State to negotiate reciprocal-trade agreements with foreign nations. The formula drawn up by the Democratic Party, in sharp contrast to the certain failure of the method of complete repeal of the Hawley-Smoot tariff which the Republican minority is berating us for not adopting, alone offered promise of success. But not all Republicans share that view. Dr. Glenn Frank and a group of 200 representative Republican associates have made public the report of their 2 years' study.

In discussing the subject of trade agreements, the committee acknowledges that the United States, if it is to enjoy any substantial foreign trade, must import as well as export, that it is impossible to sell our surplus farm and factory commodities while refusing to purchase the products of our foreign customers. The committee further concedes that any substantial progress toward such increased foreign trade can be made only through the negotiation of trade agreements on a basis of reciprocity, but urges that agreements be subject to congressional approval. This reservation totally ignores the fact that the success of the Hull trade program is attributable in very large measure to the fact that the agreements are not submitted to Congress for approval. If experience has taught us anything, a requirement written into the legislation extending the trade-agreements program that concurrence of the Senate and House be obtained before the agreements become effective would kill the program as effectively as refusal to pass legislation to continue its life for another 3 years. In other words, the Republicans have not the courage to ask for outright repeal of the program but hope to sabotage its practical functioning by requiring congressional approval of each negotiated agreement. Perhaps their lack of courage in this connection is traceable to the vivid memories they retain of the unfavorable political repercussions which followed the Republican Party's 1936 Presidential nominee's unwise and ill-advised attack on the trade-agreements program.

I wish to call attention of the membership of the House and our citizens throughout the Nation to an article written by Mr. Franklyn Waltman, at present publicity director for the Republican National Committee, which appeared in the Washington Post on October 8, 1936, approximately 1 month prior to President Roosevelt's phenomenal reelection by carrying the electoral votes of 46 of the 48 United States.

Mr. Waltman states:

Few statesmen who have fought on behalf of righteous but unpopular causes, remain in public life to witness the triumph of their efforts. Vindication most often has come to them, if at all, after their departure from the current political scene, sometimes brokenhearted men, or even after they have departed from this world.

Consequently, Secretary of State Cordell Hull must have felt a peculiar sense of satisfaction over the world developments of the last 2 weeks, when he appeared on a platform at Minneapolis to open the defense of his reciprocal-tariff program in the first real political test that confronts it.

Mr. Hull, it is true, has not yet seen the final triumph of his years-long and passionate efforts to lead the world back to prosperity and a permanent peace by breaking down trade barriers and stimulating world trade. But enough has happened to make him a happy man, hopeful of attaining success in a fight which seemed all too hopeless a few years ago.

He has witnessed a part of the press supporting Gov. Alf M. Landon, the Republican Presidential nominee, disagree with their candidate when he assailed the Hull program. He has seen outstanding Republicans applaud his ideas, although disagreeing generally with the New Deal. He has seen all this in a country committed to high protective tariffs as recently as 1930.

Undoubtedly more encouraging, however, to the elderly Tennessean has been the swiftly moving developments of the last 2 weeks abroad. There he has witnessed nations which took the lead in striving for self-sufficiency and economic isolation and which 2 years ago scoffed at him as a utopian dreamer halt in their courses and take the first steps back to a freer movement of world trade.

And he has witnessed within the last 2 weeks the economic committee of the League of Nations applaud his ideas and come to the defense of the very heart of his program, observance of the unconditional most-favored-nation treatment, which Governor Landon had sharply denounced.

That such developments should have come on the heels of Governor Landon's assault on the Hull program was a misfortune for the Republican nominee but a stroke of luck for the Secretary of State and the Roosevelt administration. What has occurred in the last week is to the credit of Secretary Hull and his unyielding faith in the righteousness of the course he preached.

The trade-agreements program has now been in operation almost 6 years, and there need be no conjecture regarding its merits. There are sufficient facts available to convince even the most skeptical who will give them unbiased and nonpartisan consideration of the effectiveness and success of the

program as an agency to restore our foreign markets and promote national prosperity.

The latest Department of Commerce study is significant in this connection. It shows a rise of 5 percent in the value of exports from the United States last year to the 18 countries with which trade agreements were in operation in comparison with the preceding year, while this country's sales to non-trade-agreement countries were actually registering a decline of 8 percent. The study is based on the first 11 months of 1939 and similar periods in previous years taken for comparison.

In terms of actual figures, the Commerce Department report reveals that for the first 11 months of 1939 exports to the 18 countries with which trade agreements were in effect for the whole time totaled $1,695,000,000, as compared with $1,615,000,000 for the corresponding months in 1938. The net increase in our sales to these countries was $80,000,000, or a rise of 5 percent.

Contrasted to this, trade to non-trade-agreement countries for the same period totaled $1,114,000,000, compared to $1,210,000,000 for the corresponding months of 1938. The net loss of trade to these countries was $96,000,000, or a decline of 8 percent.

The shallowness of the reckless, unsupported charges made by the minority that the trade-agreements program is displacing American labor, injuring business, industry, and agriculture is brought into sharp relief by a comparison of employment, business conditions, and agricultural income under the Hawley-Smoot tariff period and the trade-agreements period.

Data published every odd year by the census of manufactures are amazing. Between 1929 and the end of 1933, or the period during which the Hawley-Smoot tariff interfered with the movement of our foreign trade, industry in the United States was forced to discharge nearly 3,000,000 wage earners, with a loss of $6,500,000,000 in wages. The textile industry, one of the main segments of our economic system, discharged 250,000 wage earners, with a loss in wages of $716,000,000; the motor-vehicle industry discharged 204,000 wage earners, with a loss in wages of $481,000,000. Such examples could be multiplied almost indefinitely. In sharp contrast to this deplorable situation, we discover the reverse taking place during the period in which the trade-agreements program was progressively being implemented by the negotiation of additional agreements. Between 1935 and 1937—latest census of manufactures data were published in 1937—industry in the United States reemployed 1,500,000 wage earners, with an increase in wages of $3,700,000,000; the textile industry reemployed 127,000 wage earners, with an accompanied increase in wages of $178,000,000; the motor-vehicle industry reemployed 92,000 wage earners, with a corresponding increase in wages of $211,000,000.

The case of agriculture presents a similar picture. For the 3 years 1931 to the end of 1933, during which period the Hawley-Smoot tariff was fully in effect, farmers engaged in raising cotton and cottonseed throughout the United States received a total cash income for the 3-year period of $1,535,000,000, compared with a total cash income of $2,436,000,000 during the 3-year period 1936 to 1938—the trade-agreements period. In other words, the cotton farmer received a total increase of $900,000,000 during the latter period. During the same periods of comparison tobacco farmers' total cash income increased from $428,500,000 to $854,700,000, an increase of $426,000,000; farmers raising cattle and calves witnessed their total cash income increase from $2,100,000,000 to $3,500,000,000, an increase of $1,400,000,000.

What farmer, wage earner, industry, or business, I submit, was injured by such stupendous increases?

The trade-agreements program must, in the interest of the welfare of the entire Nation, be extended for another 3-year period because it represents the best way to open foreign markets, which the farmer must have for the sake of his own surpluses, and which business, industry, and the wage earner must have if the wheels of industry are to continue to turn briskly, business to continue prosperous, and wage earners keep at work and be in a position to buy agricultural products. The Republican minority may as well realize that they cannot bludgeon the American people into upsetting this program merely by an inchoate, contradictory appeal to prejudice. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. BURDICK. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: Page 1, line 8, strike out the period in line 8, insert a colon and add the following: "*Provided*, That no trade agreement shall be consummated permitting the importation of livestock or livestock products, grain or grain products, poultry, dairy products, or other agricultural products which can be efficiently produced in this country and which may directly or indirectly have a bearing on the supply of such products, or which may have a tendency to depress farm prices."

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota for two and a half minutes.

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

Mr. BURDICK. Yes; I yield.

Mr. MOTT. Mr. Chairman, I ask unanimous consent that the time for debate be extended 20 minutes, because it is evident that the six or eight remaining amendments cannot be debated unless we do have that time. There are amendments here on which gentlemen have spent a great deal of time.

The CHAIRMAN. Is there objection?

Mr. DOUGHTON. Mr. Chairman, I object.

Mr. BURDICK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The Chair recognized the gentleman with the understanding he would take two and a half minutes.

Mr. BURDICK. Then, if you want to read a sizzler, get the RECORD tomorrow. [Laughter and applause.] I have been here for a week now, and this is the only committee that I serve on that is recognized by Congress. Through the unbounded generosity of the Republicans, this is the only committee on which I serve, and I say to you that I have waited a week to get a chance to speak on this bill, but the time has been consumed by the committee members. I have waited here since 11 o'clock this morning to offer an amendment, and now time on that has been refused because the committee members have taken up all the time, but we are all through with them now, we have outlasted them, but the time has also gone with them.

Members of the House, I do not know how the matter appears to you, but of all the assinine systems of legislation this antiquated and fossilized system of committee recognition, and the preference with which committee members can monopolize all time, is positively the worst system which can be imagined. This long-established institution has gathered unto itself a prerogative that is dangerous to our liberties and an abrogation of the voice of the people. Just because a man is a member of a committee, that alone does not clothe him with supernatural powers; the rest of us are still capable of thinking; we are capable of expressing ourselves; but no matter how much we may know about the subject before this body, no matter how capable we are of taking part in the debate, we must sit here in perfect order, while the committeemen shape the legislation. If there were a system by which our most able Members would be assigned to committees, there might be some justification for the present system; but here today the more I have listened to this debate, by committee members, the less I know about the matter, and if no one but committee members had spoken on the bill I assert that from the debate I would not know whether we were trying to legislate on trade treaties or build a dam across the Missouri River.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Oh, yes; I have lots of time.

Mr. O'CONNOR. I just want to say to the gentleman that I am heartily in accord with his amendment, and I

am going to vote for it. I have tried to get recognition in this debate, but it has been in vain. I thank the gentleman for his courtesy in yielding.

Mr. BURDICK. I want to say in conclusion that I am glad you are all here, and for fear I will not have another chance before the time arrives, I wish you all a Merry Christmas and a Happy New Year. [Laughter and applause and repeated applause.]

Mr. Chairman, the other day, my colleague, the gentleman from Minnesota [Mr. YOUNGDAHL], in stating his firm opposition to the continuance of the present authority for making reciprocal-trade agreements included a severe attack upon the Farmers Union and its legislative representative, Mr. M. W. Thatcher. His statements were so inaccurate and unfair that they require an answer.

First of all, my colleague from Minneapolis may be somewhat excused, on the grounds that he does not know very much about the long fight made by the farmers of the Northwest for their rights in the Minneapolis Grain Chamber of Commerce and the Duluth Grain Board of Trade. My colleague comes from the city, which has long been in control of the private grain interests, who have a notorious reputation for having thought of nothing but gain for themselves, with no thought of the welfare of the farmers of the Northwest, who, in fact, have built Minneapolis. I know something about that fight because I have been in it for over 30 years. For over 25 years I have been associated with Mr. M. W. Thatcher in that fight, and I know what the fight is all about, and I know something about the history and the facts.

I dare say we were in that fight for the northwestern farmers when my colleague was still in knee pants. His clients have been the business people of Minneapolis, and mine have been the hard-bitten farmers of the North Dakota prairies. Our farmers have been subjected to the "chiseling" of the private grain trade for 40 years, and it was because of the exploitation of our grain farmers that necessity arose for a cooperative grain-marketing system.

Thirty years ago the farmers organized and built their own cooperative-marketing machinery, known as the Equity Cooperative Exchange. They made a courageous fight, but they had the combined resources of the private grain gang to go up against, and it was just too much. That fight was so vicious that the farmers called in the Federal Trade Commission, whose investigation, after a period of months, disclosed the vicious practices of the private grain trade and the grain exchanges, and the Federal Trade Commission issued a cease-and-desist order against the leaders of those grain exchanges to quit lying about the cooperative marketing institution.

The Equity Cooperative Exchange was finally forced to go into receivership. Throughout its entire history, the Minneapolis grain gang refused to permit that cooperative the privileges of the trading floor of the Minneapolis Grain Chamber of Commerce, a privilege that was essential to the success of their marketing organization. This is the same gang that my colleague from Minneapolis now represents and speaks for and at the same time condemns the Farmers Union cooperative grain-marketing organization and its leaders. I am sure that if he knew the facts he would not permit himself to be the stooge for that crowd.

There were two attacks that my Minneapolis colleague made against the Farmers Union and Mr. Thatcher, and that is what I want to answer because I know all about the situation.

Now as to the reciprocal-trade agreements and Mr. Thatcher's position on that. My colleague says he is deceitful, and let us see if he is. Last December the Farmers Union cooperative business activities in the spring-wheat area held a convention in St. Paul, Minn., and they passed a resolution with reference to the reciprocal-trade agreements, and I have that resolution in my hand, and they resolved as follows:

Therefore be it resolved, That we are in favor of the philosophy of the reciprocal-trade agreement as the most likely assurance to bring international cooperation and peace; and further

Resolved, That we are opposed to the consummation of any Federal trade agreements which have in their provision agreements admitting livestock or livestock products, grain or grain products, or poultry products, or dairy products, or any other agricultural products which can be efficiently produced in this country, and which may directly or indirectly have a bearing on the supply of said products, or which may have a tendency to depress farm prices; and further

Resolved, That we believe it against the public interest to repose in a single authority the responsibility for effectuating reciprocal-trade agreements and that the public interest will be best served by a requirement that all proposed reciprocal-trade treaties be subject to the review and approval of the United States Senate; and further

Resolved, That copies of this resolution are directed to be placed in the hands of the Senators and Congressmen of the States of Montana, North Dakota, Minnesota, and Wisconsin, and of the Northwest Farmers Union legislative committee, and that a copy hereof be sent to Secretary Wallace, Secretary Hull, and to the committee in Washington which has been holding hearings on the Argentina trade agreement.

Representing those people in the Northwest, Mr. Thatcher sent a copy of that resolution to Members of Congress. Every Member of the House Committee on Agriculture received a full and complete copy of all of the resolutions passed at that meeting, which includes the one I have just read. There is no duplicity there—Mr. Thatcher merely transferred to Congress the resolution passed by the Northwest Farmers Union group.

The National Farmers Union includes the Northwest group, and Mr. Thatcher is chairman of the National Farmers Union legislative committee. The national convention of the Farmers Union did not specifically pass a resolution with reference to reciprocal-trade treaties.

Mr. Thatcher called to Chicago the national officers of the Farmers Union and most of its State presidents. At the same time, he called to Chicago the officers of all of the members of the regional grain-marketing organizations in the United States that are federated and known as the National Federation of Grain Cooperatives. Mr. Thatcher must be held in some high regard, because he is not only president of the National Federation of Grain Cooperatives but he is also chairman of the National Farmers Union legislative committee. These two groups of farm leaders called to Chicago—that is, the National Farmers Union group and the National Federation of Grain Cooperatives' group—approved the statement which Mr. Thatcher had handed to the President of the United States—and they unanimously approved it, both groups—and let us see what that statement had to say with respect to the present subject under discussion—reciprocal-trade agreements:

We support the philosophy of reciprocal-trade agreements as the most likely assurance to bring international cooperation and peace, but we insist that in the consummation of such agreements necessary safeguards must be employed to protect parity prices for domestic agricultural products efficiently produced.

We are opposed to logrolling tariff legislation which has historically betrayed American agriculture.

You will see that the three groups, that is, the Northwest Farmers Union, the National Farmers Union, and the National Federation of Grain Cooperatives, insisted that these agreements should not be left to some single authority to make these trade agreements, but must be surrounded with the necessary safeguards so as to protect parity prices for domestic agricultural products efficiently produced. There is no inconsistency in the two resolutions and there is no deceit. Mr. Thatcher has merely represented and presented statements first approved by the groups that he represents and that is all there is to that.

Now, as to your question of the complicated business set-up or business activities of the Farmers Union. Those institutions are set up under the laws of Congress. They are Capper-Volstead cooperative institutions. Mr. Thatcher is general manager of the Farmers Union Grain Terminal Association and that is the place where he is paid all of his income. He is paid not a cent in salary or compensation in any form in his position either as chairman of the National Farmers Union Legislative Committee or as president of the National Federation of Grain Cooperatives. He handles those two important responsibilities without pay, while, at the same time operating as general manager of the Farmers Union Grain Terminal

Association. I challenge my colleague from Minneapolis, or any other Member of Congress, to show where the United States Department of Agriculture has ever paid Mr. Thatcher a 5-cent piece either for income or expenses. I also want to point out that he condemns certain practices and policies of the United States Department of Agriculture and I quote from a resolution which he prepared and was passed by the National Farmers Union convention last fall:

4. USE OF COOPERATIVES WHEREVER AVAILABLE AND SERVICEABLE AND ASSURANCE THAT THE GOVERNMENT STAY OUT OF THE FIELD OF AGRICULTURAL DISTRIBUTION

In all the Federal laws dealing with warehousing and distribution of agricultural commodities, the Congress has provided directive language to use producers' cooperative associations when practicable. In too many instances, Federal agencies have wantonly evaded the intent of Congress that producers' cooperative associations, when available, should be used.

The Commodity Credit Corporation is accumulating large supplies of cotton, corn, and wheat through loans to cooperators on a basis of a loan-unit price above the current market price. The Commodity Credit Corporation is making use of the facilities and services of the producers' cooperative associations, yet is gradually building the Government into the field of commercial distribution to the detriment of all who have invested in the facilities and services of agricultural distribution.

During the last session of Congress the House of Representatives disapproved a required appropriation for $119,000,000 without which Commodity Credit Corporation could not have made cotton, wheat, and corn loans during the present year. Our organization expended a great deal of time and funds to gain approval of this $119,000,000 appropriation by the United States Senate. Subsequently the House concurred in the action of the Senate.

It would prove to be a fatal policy in the long-time interest of producers for the Farmers Union to continue to support appropriations for any agencies of the Federal Government which either fail to use existing facilities and services or would eventually force, by competition, existing cooperative marketing assocations to liquidate their enterprises. We will henceforth support appropriations which at least do no harm to our cooperative associations; otherwise, we will vigorously oppose such appropriations.

The substance of that resolution is that if the Commodity Credit Corporation continues to operate in the field of grain marketing, the National Farmers Union will oppose further appropriations for Commodity Credit Corporation.

Now, the private grain trade likes that much about Mr. Thatcher's work, that is the private grain trade is in a state of revolution because the Commodity Credit Corporation is marketing some wheat and corn that has been put under loan. They like Mr. Thatcher when he opposes the Government being in the grain business, but according to my colleague from Minneapolis, they do not like him when he builds a cooperative marketing organization out in the country.

Now, my colleague says that all of this ought to be investigated. Well, it has been. I invite any Member of Congress to call up the Farm Credit Administration and ask for Mr. Wells, the general manager of the Central Bank for Cooperatives, that loans to Mr. Thatcher's organization as high as $2,000,000, and he will tell you that Uncle Sam goes out there and thoroughly audits the books of that organization; he will tell you that that organization pays to the Federal Government $300 per month to have a representative of the Federal Government sitting out there as a custodian to watch every dollar of the funds that the Government loans out there, to see that such funds are properly used, and I have here in my hands the last annual statement of the Farmers Union Grain Terminal Association, of which Mr. Thatcher is general manager, and it is a complete and detailed statement of their finances and their operations. Not only that, this statement is certified to by a firm of certified public accountants, and interestingly enough, that firm of certified public accountants has its headquarters in Minneapolis, Minn.

So, here is an institution and a man under attack whose every operation is audited by the Federal Government and a firm of certified public accountants, and I might state that it is very well managed and has a very unusual earning statement. The last year and a half, up to this statement, this marketing organization had net earnings in excess of a quarter of a million dollars and, thus, was able to pay very substantial patronage dividends to its patrons. In addition, their financial statement is the only one I have ever seen in my life that has in the back end of it sort of a dictionary, which explains the nature of every single account on its balance sheet. So far as I have ever seen, it is the most thoroughly audited institution and the most complete in its disclosure of its affairs of any statement I have ever examined. Of course, the private grain trade does not like to see this cooperative-marketing organization succeed.

I know something about it. I was general counsel for the Farmers Union Terminal Association when it was set up. I helped Mr. Thatcher set it up. I helped him liquidate the old Equity Cooperative receivership, which settled in full with every creditor and out of which was built a new marketing organization. There are many Members of Congress here on the floor today who know of Mr. Thatcher's untiring efforts on behalf of agriculture. Ask the chairman of the Agricultural Committee, a Democrat, or ask the minority leader of the Republican group on our Agricultural Committee, the gentleman from Kansas, Mr. CLIFFORD HOPE. Our colleagues, the gentleman from Texas [Mr. JONES] and the gentleman from Kansas [Mr. HOPE]—Democrat and Republican—will testify as to the untiring efforts of Mr. Thatcher through the years on behalf of American agriculture.

Of course, the private grain trade does not like it. He labored for 3 years to put through the Commodity Exchange Act, to put these gambling exchanges in the front line, where the United States could look at them; he led the fight for crop insurance; he fought for the life of Resettlement Administration when it was to be thrown out of the window; he has battled for over 4 years the unconscionable policies of the Farm Credit Administration. He is neither a Republican nor a Democrat, but to my knowledge, for 25 years has made a militant fight on behalf of the farmers of the Northwest and the rest of the country.

My colleague from Minneapolis says there should be a resolution to investigate this organization. I am all for his resolution, if he will include in his resolution a complete investigation of the private grain trade and the milling industry, and I want to sit on that committee.

In closing, I want to state again that I have before me the resolutions adopted by these organizations and the statement left with the President of the United States and filed in the CONGRESSIONAL RECORD by Senator WHEELER, and wish to state there is no duplicity, there is no deceit in the manner of handling and presenting these resolutions to Members of Congress.

So far as the money which has been loaned by Farm Security Administration to set up local cooperative elevators out in North Dakota, of course, the Farmers Union Grain Terminal Association will not spend its time and money to set one up unless those farmers agree to do their business with their own marketing agency. That is the privilege of the private grain trade, if they so want to conduct their business. But here is the catch. Mr. Thatcher's organization, the Farmers Union Grain Terminal Association, agrees to set up one-half of its net earnings in an insurance fund to protect the Government on loans it makes to the farmers for cooperative grain marketing, and any private grain house can have the same available credit with which to build cooperative elevators out in the country if such commission house will agree to set up one-half of its net earnings in an insurance fund to protect the Government and make the other half available in patronage dividends to the country elevators. You do not need an investigation to find that out—you can find that out by merely calling up the Farm Security Administration and the Farm Credit Administration.

I hope now, after having given my colleague from Minneapolis the facts, that he will be less inclined to speak out for the grain gang of Minneapolis.

My colleague from Minneapolis says that Mr. Thatcher has changed his position about cost of production for the farmers. That is not true. Mr. Thatcher was one of the group who asked for the McNary-Haugen bill and fought for it for years, and, as we all know, the Congress of the United States twice passed that bill and twice President Coolidge vetoed it. Eighty-seven organizations of the Minneapolis

grain gang wired President Coolidge to veto the McNary-Haugen bill.

I have before me a speech which Mr. Thatcher gave over the National Broadcasting Co. in Chicago on January 27 of this year. He points out in that address that there are four proposals that the Congress may consider, which deal with the agricultural question:

First. Do nothing.

Second. Just keep on appropriating out of the Treasury in harmony with the 1938 Farm Act and continue to increase the Federal deficit. The Farmers Union is opposed to that.

Third. He points out that his organization is for price fixing when the Congress is ready to protect the consumers so that they will have the money to pay fixed prices.

Fourth. And the one which Farmers Union is pushing is their income-certificate plan, which is nothing more than a 1940 version of the McNary-Haugen plan, and, by the way, Senator VANDENBERG recently, in his speech at St. Paul, endorsed a 1940 plan embodying the principles of the McNary-Haugen bill.

Mr. Thatcher has at no time abandoned his belief in the cost-of-production principle under proper safeguards to consumers; but, when unable to attain that objective, he has turned to making the program which could pass this Congress better. If he could not obtain all he wanted, he did not throw up the sponge and quit, but fought on to obtain the best possible legislation obtainable from this Congress. In that respect Mr. Thatcher is no different from myself. I, too, believe in the cost-of-production program and will vote for it every chance I get; but when efforts to pass such legislation are futile, I propose to direct my energies and whatever of ability I possess to making the legislation we can secure better than it was when presented to Congress. I personally know that Mr. Thatcher was more responsible than any man in the United States in securing the first Crop Insurance Act.

I have been in this fight for a better day for the farmers of the Northwest for 35 years. I know what a fight that has been. I can remember the day in North Dakota when we were compelled to sell our grain to line elevators only. These line elevators were established on railroad property, and the railroads would not permit the presence of an independent buyer. The line elevators were not only line elevators, but were lined up with the railroads directly, financially, and through overlapping directorships.

It took us 4 years to pass an act in the North Dakota Legislature to compel railroads to put in loading platforms so the farmers could ship directly to the grain markets. After the act was passed, the railroads circumvented the plan by refusing to deliver cars to farmers and independent grain dealers for the purpose of direct shipments. It took us another 4 years to pass a reciprocal-demurrage law compelling railroads to deliver cars. Our fight has been to free the farmers from the absolute control of their grain and livestock by the so-called line interests. The only organizations in the Northwest that have stood between the farmers and these organized interests and protected the farmer from this abject enslavement have been the Equity Society of America, the Equity Cooperative Exchange, and now its successor, the Farmers' Educational and Cooperative Union of America and its subsidiary set-ups.

The first great leader in that fight for a better day for the farmers of the Northwest was George S. Loftus, probably the greatest farm leader of all time. He was closely followed by such able and militant leaders as Milo Reno, of Iowa, and John A. Simpson, of Oklahoma. Today the responsibilities of that same leadership in the Northwest are carried on by M. W. Thatcher. He, like the others, will be condemned and ridiculed. The clouds of calumny will settle around his head, but in due course of time his ability and his fidelity to the cause of the Northwest farmers will be fully appraised and appreciated, and in the hearts of a grateful farm population he will be placed side by side with these other great leaders who have passed from this earthly scene of action.

The organized grain trade of Minneapolis is still at work. They see a chance to weaken the confidence of the farmers of the Northwest in the Farmers Union, and true to form they attack our leaders. This course of action is nothing new—they have been at it for 40 years. They used to attack the objects and purposes of the organization. Having always failed in that, they now seek the same end by attacking the men who have successfully piloted the farmers' cause. In this they must also fail because their case is built of falsehoods and malicious charges, which time alone will refute. Instead of weakening this farmers' movement, their attack upon its leaders will revive the same old fighting spirit that has held the Chamber of Commerce of Minneapolis at bay for a quarter of a century—and more—it will revive the fight to mop up the whole nefarious business of grain gambling indulged in by the "grain trade." This fight will not end until the farmers of America have a just and open market, ridded of the rats that have gnawed holes in the farmers' grain bin for the last 50 years.

No matter what some Congressman may be induced to say, we still have confidence in M. W. Thatcher and the Farmers Union.

With the permission of the House, I will file documents and audits which prove the statements here made by me to be absolutely true and a complete vindication of Mr. Thatcher and the Farmers Union before the people of this Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 76, noes 108.

So the amendment was rejected.

Mr. BURDICK. Mr. Chairman, under unanimous consent heretofore granted, I submit the following:

ROOSEVELT TOLD F. U. POSITION—M. W. THATCHER, IN PERSONAL INTERVIEW AT WHITE HOUSE, TELLS WHAT FARMERS WANT

In a personal interview at the White House on January 16, M. W. Thatcher, chairman of the National Legislative Committee of the Farmers Union, laid before President Roosevelt the views, aims, and wants of agriculture. This was embodied in a brief statement which was based upon the resolutions adopted by the Farmers Union national convention, held at Omaha, Nebr., November 20 to 22, 1939. This statement covers in concise and readable form what the resolutions carried at greater length, such as demand for the income certificate bill to assure parity price, qualified approval of the trade pacts, approval of national defense if the funds came from increased income tax, support of the debt adjustment bill, and gratification over the transfer of the Farm Credit Administration to the Department of Agriculture.

THE STATEMENT AS FILED

Following is the complete and exact text of the statement made to the President and filed with him:

AGRICULTURAL INCOME

The 1938 Farm Act is furnishing substantial assistance to agriculture. However, it fails to provide the objective for parity of income. Too, it does not cover many of the important agricultural commodities.

Through further legislation, more effective use of the present act, together with certain sound tax impositions, Congress can find ways and means to produce the revenue required to make the 1938 Farm Act fully effective. Agriculture fully expects the Congress to keep faith with its legislation.

We are supporting the income-certificate plan for wheat, cotton, and rice, and such other commodities as may prove properly applicable to such protection. The certificate plan is the employment of an internal tax to cover the gap between the cash farm price and the declared fair price. Therefore it is not a regressive sales tax, but, rather, a deficiency tax to establish a fair, stabilized price.

We intend to support a unified agricultural front as a means of protection for the whole farm family producing the important agricultural products.

AGRICULTURAL PRICES

The great majority of representatives of the agricultural trades, organized labor, and agriculture do not expect any substantial increase to agricultural prices arising from war conditions. If, however, prices should rise to parity, appropriated funds for parity payments would be returned to the Treasury.

Substantial increase in the national income will have practically no effect upon the price of such surplus crops as wheat, rice, tobacco, cotton, etc., when there is an excessive world supply of such commodities. Those who contend otherwise qualify as members of the ostrich class.

RECIPROCAL-TRADE TREATIES

We support the philosophy of reciprocal-trade agreements as the most likely assurance to bring international cooperation and peace, but we insist that, in the consummation of such agreements, necessary safeguards must be employed to protect parity prices for domestic agricultural products efficiently produced.

We are opposed to logrolling tariff legislation which has historically betrayed American agriculture.

GOVERNMENT IN BUSINESS

We vigorously oppose any department of government encroaching upon the field of agricultural distribution, when facilities and service charges are otherwise available at reasonable rates.

NATIONAL DEFENSE

Adequate armaments to maintain defense of our country meets our hearty approval, if the appropriations therefor are to be covered by revenue arising from additional Federal income taxes; provided, however, this character of expenditures is not made at the expense of health-sustaining assistance to deserving and unfortunate American citizens without self means.

Part of the national defense for efficient, industrious, and honest farm families is provided for in our farm debt adjustment bill now pending before the Congress. It would require no additional appropriation for many years, if ever, and would assure such farmers their first line of defense against the many troubles which erode them. Those who would conserve capitalism should pull their heads from the sand and insist upon a farmer-owned and operated agriculture, the foundation of capitalism.

FARM CREDIT ADMINISTRATION

We are most grateful for the tardy transfer of Farm Credit Administration to the Department of Agriculture. We hope the Secretary of Agriculture will soon be able to furnish a report of the administration of the Federal land banks, Intermediate credit banks, Federal Farm Mortgage Corporation, and production credits and collections, with its consequent ill effects upon agriculture.

Based on many years of experience with boards in control of agricultural credit, we will vigorously oppose any legislative proposal which again seeks to board it up.

ST. PAUL, MINN., *December 27, 1939.*

To Our Fellow Cooperators:

We are attaching hereto a lengthy communication to Mr. W. M. Kiplinger, of the Kiplinger Washington Service, Washington, D. C.

Two important weekly letters go out of Washington, D. C., to clients of the two organizations. One is the Whaley-Eaton Service, which goes out in an extraordinary form and manner and deals very little with personalities. The other is the Kiplinger Service, which deals largely in personalities and what some people call Washington gossip. Each of these organizations has an extensive clientele.

Another important news service at Washington is the United States News, which goes out in the form of a newspaper.

On behalf of the Northwest Farmers Union Legislative Committee, the National Farmers Union, and the National Federation of Grain Cooperatives, we have made a determined effort to liberalize the policy within the Farm Credit Administration, particularly as to farm mortgages. The purpose of this was, obviously, to create a new conception of agricultural credit.

Farmers, trying to hold onto their farms with some equity, are the last group in America willing to work for practically room and board. While the various branches of finance and industry are pampered with special legislation, special rights under charter, and organized labor secures more and more in the way of minimum wages, maximum hours, right to picket, right to strike, bargain collectively, etc., it does seem that good, national policy would recognize this last group, the American farmer, and encourage him to stay on the farm, when he is asking no such special privileges as the other groups enjoy.

In view of this, it seemed unconscionable that national policy should evict honest, industrious people from their farms because they could not pay so much in dollars and cents, when, as everyone knows, in most cases their inability to pay arose out of conditions over which they had no control, such as low prices, drought, etc.

That's what our fight has been all about in connection with Farm Credit Administration. It has finally ended in the Farm Credit Administration being transferred by the President to the United States Department of Agriculture. Also, it finally brought the res'gnation of Gov. F. F. Hill and the appointment in his place of Dr. A. G. Black.

We believe that the Secretary of Agriculture selected the outstanding man for this position when he recommended Dr. A. G. Black to the President. Naturally, we are delighted over the outcome.

In the attached letter, addressed to Mr. Kiplinger, you will find our remonstrance against his attack.

In the letter of December 23, 1939, issued by the Whaley-Eaton Service, this appears:

"5. Farm credit: Various public statements have been made to the effect that Farm Credit obligations are not guaranteed by the Government. The fact is more than $1,300,000,000 of Farm Mortgage Corporation bonds are fully and unconditionally guaranteed, with over another $600,000,000 still authorized.

"6. As to the $1,700,000,000 of land-bank bonds outstanding, there is no guaranty on the face of the bonds, but the Treasury has already put in $124,000,000 of capital and $189,000,000 of surplus as a buffer, and is contributing about $30,000,000 a year to make up for Congress' arbitrary reduction in the interest rate paid by mortgage borrowers. Also, the Government subscribed the total capital stock of the intermediate credit banks, amounting to $70,000,000.

"7. Policy: It is responsibly stated that Farm Credit operations will not be premised on compliance with other programs, such as soil conservation, and that it will not become a relief agency. It is also responsibly stated, however, that there will be a reversal of loan and foreclosure policies in the direction of 'humanizing' agricultural credit. The President sanctioned transfer of Farm Credit control to Wallace despite the strong protests of some farm organizations and of many of his own high financial advisers. The move is almost certain to be made an issue in the next campaign, since it reeks with politics."

The United States News, in its issue of December 26, 1939, carries the following:

"More than 1,000,000 farms in the United States are mortgaged to Government-owned or Government-controlled lending agencies.

"Owners of these farms, who owe the Government at least $2,700,000,000, eagerly read last week of a change in management at the Farm Credit Administration. The reason: Many farmers now hope for a moratorium on foreclosures.

"Involved in the change in management is a change in status for the F. C. A., the holding company for the various Government corporations making loans to farmers. Formerly F. C. A. was an independent agency, like the Federal Reserve Board and the Federal Deposit Insurance Corporation.

"Now F. C. A. is in the Department of Agriculture, where it is under direct control of Secretary Wallace.

"ARGUMENT, PRO AND CON, FOR CHANGE OF CONTROL

"This change has resulted in the resignation of Forrest F. Hill, Governor of F. C. A. since 1938. Mr. Hill protested that any attempt to integrate the credit agency with the general Department of Agriculture program would inevitably result in sacrificing sound financial procedures for sociological or humanitarian ends. He illustrated:

"It will be difficult to explain to farmers how one agency of the Department (Commodity Credit Corporation) can lend 57 cents on 50-cent corn while another agency (Federal Farm Mortgage Corporation) cannot lend $110 or $115 on $100 land."

Mr. Hill's determined fight to maintain the independence of the F. C. A. went to President Roosevelt for final determination. The President, however, ruled against Mr. Hill and in support of his Secretary of Agriculture. Secretary Wallace had maintained that integration of F. C. A. with other work of the Department of Agriculture was essential to keep all these public services to agriculture moving toward common objectives.

If Mr. Hill feared a trend away from sound banking procedures, many farmers and their Congressmen hope for it.

In announcing the appointment of a new F. C. A. governor, A. G. Black, former chief of marketing and research for the Department, Secretary Wallace declared:

"The acts of Congress authorizing the work of the Farm Credit Administration and prescribing its functioning, of course, remain unchanged. Mr. Black and his associates in the Farm Credit Administration will be responsible to me for * * * administering loans to individual farmers in a way that will completely safeguard the equities of borrowers and of investors."

However, Mr. Wallace added: "Of course, the F. C. A. faces some serious problems. The fact that former Governor Hill felt it necessary 2 months ago to suspend most foreclosures in certain areas reflects the existence of these problems."

Problems referred to by Mr. Wallace are not limited to those posed by current drought crop failures. They include the larger problems of how to keep farmers on the farms when they cannot meet payments on their mortgages, despite liberal cash subsidies from the A. A. A.

Originally, Government loans for refinancing farm mortgages were 5 percent, 30-year mortgages. In 1934, Congress amended the law, over a Presidential veto, to require no payment against principal and to reduce interest rates to 4 percent. Subsequently, over another veto, interest rates were further reduced to 3½ percent.

Foreclosures have continued, however, and some 12,000 to 15,000 families have been put off their farms each year. This procedure has distressed Congress. Last July, Senator WHEELER told the Senate:

"What has the Farm Mortgage Corporation been doing? They foreclose a mortgage and then put the borrower off the place. They buy the farm; and do they let the farmer come back and take it? No; they will take some other tenant and put him upon that piece of land, on exactly the same basis as the man who had been farming it over a long period of time and wanted to stay on it. They will not give him a chance, but will take some other man who may not have been a farmer."

PROPOSE REFINANCING LOANS TO RUN 40 YEARS

Further, as Congress sees it, the farmer who is put off the land goes into the city, there to compete in the overcrowded labor market while another Government agency, the Farm Security Administration, is loaning funds to other families, especially tenant farmers, to purchase and equip other farms.

Senator WHEELER and Senator LA FOLLETTE are jointly sponsoring a bill which would further liberalize the loan policy of the F. C. A. by permitting loans for refinancing up to 100 percent

on land. These loans would run 40 years at a maximum of 3-percent interest.

Supporting this measures are such influential Senators as Borah (Republican), of Idaho; CAPPER (Republican), of Kansas, NORRIS (Independent), of Nebraska, and GILLETTE (Democrat), of Iowa.

We have tried very carefully to prepare all this material, that you may be well informed on this whole controversy. This is particularly so because many informed people have stated that this will be the occasion of a big fight when Dr. Black's name comes before the United States Senate for confirmation. These same people say that it will become a powerful political issue and will be in the campaign. So far as we are concerned, that's just grand, because the only hope of changing for the better the philosophy of agricultural credit, to protect honest farmers, only can come out of a thorough debate and complete understanding of what is involved.

If we are certain of anything, it is that the Congress of the United States will protect honest farm families who are working hard in their farming operations, doing everything they can to protect their rights to work on those farms, and give them some hope that they may one day own them. We can say good-by to democracy when there is an end to farmer-owned and operated agriculture.

We shall be glad to have your reaction on this. Let us hear from you.

Sincerely yours,

M. W. THATCHER,

Chairman, Farmers' Union National Legislative Committee; Northwest Farmers' Union Legislative Committee.

ST. PAUL, MINN., *December 27, 1939.*

Mr. W. M. KIPLINGER,

In care of the Kiplinger Washington Agency, National Press Building, Washington, D. C.

DEAR MR. KIPLINGER: I have just completed reading your letter of the 16th inst. My first reaction to it is an assurance that you have gone much too far in prognosticating the policies which eventually will be adopted by Secretary Wallace and the new Governor of the Farm Credit Administration, Dr. A. G. Black, with reference to farm mortgages.

The Farm Credit Administration has been under the influence of an eastern group which has had little sympathy and often less understanding of the people of the farms all over the Nation. These farm people have just begun to move in the United States. It is their intention to share in the affairs of government from now on and to participate to a greater extent in the division of the national income.

These farm people are of the opinion that the change in the management of the Farm Credit Administration will aid them in that intention to share in governmental affairs and to secure that fairer division of the national income. Nor are they alone in this. I am just in receipt of a letter from a prominent administrator, versed in the operations of the Farm Credit Administration, in which he says:

"May I add that, in connection with some of the recent changes in Washington, so far as the Farm Credit Administration is concerned, I am looking forward with anticipation to working closely and effectively with the new Governor. I hope we will be successful as we go along in finding better ways of meeting a number of our serious problems than have been adopted up to this time."

If he, who is not under the harrow of debt and distress, feels that better ways must be found than have been adopted up to this time, is it strange that the farm people of our country entertain the same thought and recognize the change in the F. C. A. as a move for the better?

However, my particular reason for writing you at this time is to deal with a grave charge which your letter levels at Secretary Wallace, Senator WHEELER, and myself, ascribing to the three persons named a series of trades which, if true, involves a new low in political turpitude and treachery.

The paragraph in your letter of December 16 reads:

"Wallace's deal with the President was a two-way proposition: In exchange for a free hand with farm credit he was in position to offer support for trade agreements by the Farmers Union, whose membership is in the area of the hottest farm opposition to the trade agreements. Wallace got the President's promise, then 'delivered' the Farmers Union, which this week went on record for the trade agreements. This was done through a deal between Wallace and M. W. Thatcher, off the Farmers Union."

First, Secretary Wallace and M. W. Thatcher made no "deal." Second, Secretary Wallace never suggested to me that there would be any advantage to the Farmers Union, or to any of its business activities, if support were given by the Farmers Union to the reciprocal trade treaty philosophy.

The gross inaccuracy of your statement is proved by the language of the resolutions adopted by the Farmers Union business activities in St. Paul, December 15, 1939, on the trade pacts. It is evident that, when you speculated on the "delivery" of the Farmers Union, you had not before you the text of the resolutions adopted by the 1,500 representative farmers who were delegates to that annual convention. A true and correct copy of those resolutions follows:

RESOLUTIONS

"*Be it resolved by the representatives of the Northwest Farmers Union activities in annual convention at St. Paul, Minn., December 15, 1939,* That—

"Whereas, because of various conditions arising out of drought and extremely low prices over the years, farmers of the Northwest have not only become deeply indebted to the agencies of the Federal Government and to other groups, but they have been losing their homes by the thousands and are still in the process of losing their homes; and

"Whereas, because of the above-mentioned facts, farmers have arrived at an economic condition wherein they are desperately endeavoring to better their condition through cooperative marketing and compliance with the Triple A in reducing their acreages and livestock herds; and

"Whereas such conditions and circumstances will permit of no further deflation of prices or other contingent conditions or proposals which are likely to bring about further lowering of prices, nor admit of competition with the products produced in this section; and

"Whereas American agriculture, throughout the history of tariff legislation, has been sold 'down the river' for the benefit of other groups: Therefore, be it

"*Resolved,* That we are in favor of the philosophy of the reciprocal-trade agreement as the most likely assurance to bring international cooperation and peace, and further

"*Resolved,* That we are opposed to the consummation of any Federal trade agreements which have in their provision agreements admitting livestock or livestock products, grain or grain products, or poultry products, or dairy products, or any other agricultural products which can be efficiently produced in this country and which may directly or indirectly have a bearing on the supply of said products, or which may have a tendency to depress farm prices, and further

"*Resolved,* That we believe it against the public interest to repose in a single authority the responsibility for effectuating reciprocal-trade agreements and that the public interest will be best served by a requirement that all proposed reciprocal-trade treaties be subject to the review and approval of the United States Senate, and further

"*Resolved,* That copies of this resolution are directed to be placed in the hands of the Senators and Congressmen of the States of Montana, North Dakota, Minnesota, and Wisconsin, and of the Northwest Farmers Union legislative committee, and that a copy hereof be sent to Secretary Wallace, Secretary Hull, and to the committee in Washington which has been holding hearings on the Argentina trade agreement."

If, out of that, you or any other individual can twist evidence of a "deal" or a "trade" or any confirmation whatever for your charge, then the English language has become a mere vehicle of ambiguity and equivocation. On the contrary, I regard the language of the resolutions as complete proof of the gross inaccuracy of your charge.

Permit me to call to your attention the paragraph immediately following the one already quoted from your letter. It directly charges treachery on the part of the Farmers Union and the Secretary of Agriculture as against the candidacy of Senator Burton K. Wheeler. It reads:

"Undermining of Senator Wheeler also is directly involved. Wheeler is running for President. So is Wallace. Wheeler is sponsor of pending bill to make Government farm-mortgage loans easy * * * 3 percent, 40 years. It's a Farmers Union bill, written in Department of Agriculture, with aid of Black. Now backers of Wallace-for-President hope to have Wallace get the credit for easy mortgage loans * * * instead of Wheeler."

The facts and the record do not sustain any such charge as this. The Farmers Union cooperative business activities in the Central Northwest held their annual stockholders' meetings during the week ending December 16 at St. Paul, Minn. On the night of December 14 they gave their annual banquet in the municipal auditorium. On that occasion I had the distinct honor and privilege to entertain as our guests the distinguished Secretary of Agriculture and the distinguished Senator, the Honorable BURTON K. WHEELER. It was my privilege and honor to introduce these two speakers, who sat side by side and spoke from the same platform. My introduction of each and their speeches were carried over the radio. Everyone at the banquet and radio listeners could not help but understand from the introductory remarks our esteem of Senator WHEELER as the most desirable Presidential timber. That introduction included pointed reference to Senator WHEELER as the experienced Senator and prosecutor, in contrast with the prosecutor, inexperienced in statecraft, Mr. Dewey.

Everybody out here understands our great faith in Senator WHEELER as an outstanding statesman and one most desirable, from our point of view, as a potential occupant of the White House. Nobody in our organization, nobody in attendance at the banquet, and no radio listener could for a moment get the impression that we were undermining Senator WHEELER.

Our organization does not attempt to select political candidates. We are never in direct politics. We do not intend to be. We were obliged to work with Mr. Hoover when he was President and with his Federal Farm Board. It has been a great pleasure to work with President Roosevelt and Secretary Wallace in helping to give to the United States farmer his first real opportunity to participate in formulating policies of government and to enjoy a greater share of the national income.

Reverting now to the change in the Farm Credit Administration: You are doubtless aware that the thirty-fifth annual convention of the National Farmers Educational and Cooperative Union of America was held at Omaha, Nebr., November 20, 21, and 22, 1939, at which delegates from 18 States were present. Resolutions were adopted at this convention covering the 1940 program of the organization. A copy of these resolutions is enclosed and made a part of this letter.

If you will now refer to page 3 of these resolutions you will find this under the heading, "Legislation":

"The President of the United States, by Executive order last June, directed the transfer of the Farm Credit Administration to the Department of Agriculture. We sought this transfer because we needed the more sympathetic administrative attitude as exemplified in the administration of the Farm Security Administration. For some reason the transfer was deferred, thus leaving the Farm Credit Administration in its former relatively autonomous position.

"Believing the transfer would prove to be a contribution of immeasurable consequences, we respectfully urge the President to immediately effectuate his original order of last June."

You will observe that this deals definitely with the matter of agricultural credit and the changes deemed necessary and our reasons for the change. Senator Wheeler was the principal speaker at this convention and was accorded a striking ovation at the conclusion of his speech. If, as you charge, the Farmers Union was undermining him and dealing treacherously with him, we must have begun early at Omaha in November, though not an officer or delegate present knew it and, strangely enough, even the astute editor of the Omaha World-Herald saw no signs of betrayal and, instead, accepted our reception of him as indicating the approval of our national organization.

As I scan your letter of December 16, I am led to but one conclusion, which is that it is nothing short of scandalous. I am amazed that an institution with such a fine reputation as the Kiplinger Service should not have checked more thoroughly before making such strong statements as appear in your letter with reference to President Roosevelt, Senator Wheeler, Secretary Wallace, Dr. A. G. Black, the National Farmers Union, and myself.

I feel sure you will be willing to check on the facts, particularly with reference to those parts of your letter herein quoted and the resolutions of our organization contained herein and attached to this letter, to the end that, in one of your letters in the near future, the correction to which we are entitled will be made.

Respectfully submitted.

M. W. THATCHER,
Chairman, Farmers Union Legislative Committee, Northwest Farmers Union Legislative Committee.

FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA, ANNUAL CONVENTION, OMAHA, NEBR., NOVEMBER 20–22, 1939—1940 PROGRAM

We, representing organized farmers of the United States, banded together as the Farmers Educational and Cooperative Union of America, assembled in our thirty-fifth annual convention at Omaha, Nebr., November 20, 21, and 22, 1939, submit our program to guide us in the crucial year of 1940, clearly mindful of our grave responsibility in a world of crisis, where chaos threatens to engulf all civilization, and where no class, nation, or age can escape economic consequences of the turmoil abroad today.

We reaffirm the historic and basic principles of the Farmers Educational and Cooperative Union to attain equity and justice through maintaining a democratic political system and building a cooperative economic system as the practical expression of the Christian ideal of brotherhood, which alone can bring lasting peace and security.

To permit no black-out of our objective to attain parity income for agriculture sufficient to cover production costs, to provide a home free from threat of dispossession, and a decent standard of living for ourselves and our families.

To cooperate with other organized groups who genuinely seek to provide economic security, preserve democratic processes, provide distribution of abundance for all the people, and maintain our civil liberties.

In order to attain these objectives by doing together what we cannot do alone, we adopt the following program of educational, cooperative, and legislative activities for the coming year.

EDUCATION

Believing that education, which assures an understanding of cooperative economics, is basic to the development of unity which is needed to effectuate our cooperative and legislative programs, we pledge our organization to continue and expand the work carried on by the department of education of the National Union.

We also pledge our organization to continue its policy through junior and adult education to build an understanding of the problems facing farmer and industrial worker alike.

COOPERATION

Believing that a system of cooperative business, owned by producers and consumers, is the only means by which the potential abundance of this Nation may be made available to all its people and by which true democracy may be maintained and safeguarded, we urge that our membership continue to actively encourage and promote the development of cooperative business institutions.

We also urge a continuation of the cooperative conferences which have been held during the past 3 years.

LEGISLATION

SECTION I. Agriculture is not only the basic industry of the Nation—it is, under control and ownership of farm families, the only foundation upon which may be built and sustained our declared form of a democracy. Therefore, in an admitted legislated economy to assure a democracy, agriculture must be assured a parity position with the other important and essential groups.

Agricultural security is, therefore, the first required prerequisite for a well-fed, clothed, and housed democratic society.

Such legislation must first provide for a revaluation of the farm plant now under mortgage so that the debt, principal, and service charges may be related to the potential production of the plant and also provide conservation of the farm plant and farm family.

Production insurance and income assurance against drought, insect pests, speculative price changes, and other causes beyond the control of the farm operators must be provided as a matter of national policy. We must soon be done with Federal programs which rest upon perennial political caprice and which contribute to the continuing increase of the Federal deficit.

In keeping with these objectives we urge passage of the following national legislation:

1. The Farmers Union debt-adjustment plan embodied in Senate bill 2549 and section 21 of Senate bill 2864 pending before the Rules Committee of the House of Representatives.
2. A farm tenancy act as embodied in Senate bill 1836.
3. The Farmers Union dairy bill, House resolution 6500.
4. The Farmers Union cotton-income certificate plan embodied in Senate bill 2434.
5. The Farmers Union wheat-income certificate plan embodied in Senate bill 2395.
6. Similar legislation for flax, rye, barley, rice, and other commodities.

Pending the enactment into law of the foregoing legislative proposals we request that loans made by the Commodity Credit Corporation shall be at 75 percent of parity permitted under the present law.

SEC. II. We recognize that Federal agricultural programs up to this time have many weaknesses and that legislation has not, as yet, provided for American farmers either cost-of-production or parity price. However, we believe it would be a serious set-back to American agriculture to lose any of the good parts of existing Federal programs. Therefore, we deal with this problem from the standpoint of maintaining the legislation which we presently have and seeking those changes and corrective amendments which, in our judgment, are necessary.

We propose the following:

1. Payments to cooperators in the soil-conservation program should be made on the basis of needed soil-conservation practices and should be separated from commodity-income programs.
2. Expansion of the program of the Farm Security Administration to meet the needs of our farmers with particular reference to farm tenancy, debt adjustment, land utilization, mortgage refinancing, rehabilitation, and emergency relief.
3. Transfer of the Farm Credit Administration to the Department of Agriculture, which has demonstrated through its administration of Farm Security Administration its capacity and intentions to deal sympathetically and intelligently with the problems besetting those farm people of the country who, through drought, insect pests, low prices, and other causes, have been reduced to abject poverty.

The President of the United States by Executive order last June directed the transfer of the Farm Credit Administration to the Department of Agriculture. We sought this transfer because we needed the more sympathetic administrative attitude as exemplified in the administration of the Farm Security Administration. For some reason the transfer was deferred, thus leaving the Farm Credit Administration in its former relatively autonomous position.

Believing the transfer would prove to be a contribution of immeasurable consequences, we respectfully urge the President to immediately effectuate his original order of June 1.

4. Use of cooperatives wherever available and serviceable and assurance that the Government stay out of the field of agricultural distribution.

In all the Federal laws dealing with warehousing and distribution of agricultural commodities, the Congress has provided directive language to use producers' cooperative associations when practicable. In too many instances Federal agencies have wantonly evaded the intent of Congress that producers' cooperative associations, when available, should be used.

The Commodity Credit Corporation is accumulating large supplies of cotton, corn, and wheat through loans to cooperators on a basis of a loan-unit price above the current market price. The Commodity Credit Corporation is making use of the facilities and services of the producers' cooperative associations, yet is gradually building the Government into the field of commercial distribution to the detriment of all who have invested in the facilities and services of agricultural distribution.

During the last session of Congress the House of Representatives disapproved a required appropriation for $119,000,000, without which the Commodity Credit Corporation could not have made cotton, wheat, and corn loans during the present year. Our organization expended a great deal of time and funds to gain approval of this $119,000,000 appropriation by the United States Senate. Subsequently the House concurred in the action of the Senate.

It would prove to be a fatal policy in the long-time interest of producers for the Farmers Union to continue to support appropriations for any agencies of the Federal Government which either fail to use existing facilities and services or would eventually force, by competition, existing cooperative marketing associations to liquidate their enterprises. We will henceforth support appropriations which at least do no harm to our cooperative associations; otherwise we will vigorously oppose such appropriations.

5. Continuation of the Federal Surplus Commodities Corporation and an expansion of the stamp plan as a method of distribution.

6. Usefulness of the Rural Electrification Administration should be expanded and accelerated.

7. Revision of the Crop Insurance Act insuring the top 75 percent of the loss; providing that in determination of loss, quality as well as quantity be considered; providing that indemnities paid be eligible to commodity loans and that the crop-insurance program be extended to other basic commodities at the earliest possible date.

8. Opposition to the assignment of any payment made under the various Federal farm programs, except for the purpose of paying crop-insurance premiums, for which Congress has already made legislative provision.

Section III. We also reaffirm our position relative to the following:

1. Protection of the family-sized farm shall be a constant and primary policy and aim in the formulation, amendment, and administration of all farm legislation.

2. Administrative personnel of Federal farm programs should be farmers' democratically elected insofar as legally possible; all other administrative personnel should be persons who understand, participate in, and are sympathetic to farm organizations and the cooperative movement.

3. Adequate and effective legislation which will make possible the rapid development of the cooperative movement, and which will protect cooperatives in their infancy from large established enterprises.

4. Protection of the domestic market for American agriculture.

5. Permanent adjustment of interest rates on Federal indebtedness of agriculture to those rates enjoyed by private industry.

6. Levy of all taxes on the basis of ability to pay. Continued ability to pay must be based on net income, and we are unalterably opposed to any system of taxation not based upon this principle. Since a sales tax has historically been the method used to extort revenue from those least able to pay, we reiterate our continued and consistent opposition to that tax.

7. Refinancing of farmers' indebtedness at low interest—amortized repayment plan—funds provided by Government issue of currency.

8. Restoration to Congress of the power to coin and regulate the value of money.

9. Abolition of the practices under which tax-exempt Government bonds are issued.

10. Conservation of all natural resources.

11. Opposition to regulation of truck and water transportation rates that tends to increase transportation costs. We also oppose repeal of section 4 of the Interstate Commerce Act commonly known as the "long-and-short-haul clause."

LABOR

The Farmers Union is distinguished, among farm organizations, for its friendly attitude toward organized labor.

We reaffirm our historic position, expressing a continued desire to cooperate with our brethren in the mills, mines, and factories.

We emphatically condemn those individuals and organizations, who seek to foster intolerance, strife, and misunderstanding between farmers and organized laborers.

PEACE

We submit that war is a natural attribute of an economic system based upon the profit motive. The seeds of hatred, intolerance, and international conflict take root and flourish in a world where frenzied economic rivalry creates the tragic contrast of growing poverty for the masses and overwhelming abundance for a few.

The brotherhood of man cannot be achieved in an environment distinguished by economic contrasts.

We believe that a secure and lasting peace can be achieved only through the establishment of an economic system based upon the principles of cooperation. We reaffirm our historic position that the cooperative movement offers a practical pattern for the creation of a warless world.

We stand unalterably opposed to the appropriation of huge sums of money for armaments made at the expense of appropriations which are necessary in the solution of our domestic problems, both rural and urban.

We refuse to become engulfed, through propaganda and a defeatist psychology, in the tide of hatred, intolerance, and war, out of which nothing can be secured except more hatred, more intolerance, more war, and the probable destruction of our freedom to continue building a just society.

[Farmers Union Grain Terminal Association, St. Paul, Minn. Annual report, fiscal year ended May 31, 1939, and financial statement as of October 31, 1939]

OFFICERS AND DIRECTORS

Directors, D. L. O'Connor, New Rockford, N. Dak.; Oscar Horsford, Wolf Point, Mont.; A. E. Kathan, Brady, Mont.; Hayes Stark, Joplin, Mont.; C. L. Waring, Billings, Mont.; Elling Knudson, Edmore, N. Dak.; Alex Lind, Williston, N. Dak.; J. F. Fitzgerald, Merricourt, N. Dak.; V. H. Hanson, Herman, Minn.

Officers: D. L. O'Connor, president; Oscar B. Horsford, vice president; A. E. Kathan, secretary-treasurer; V. L. Boesel, assistant secretary; M. W. Thatcher, general manager; T. F. O'Neill, assistant to general manager.

THE REPORT TO THE STOCKHOLDERS

FARMERS UNION GRAIN TERMINAL ASSOCIATION,
St. Paul, Minn., December 12, 1939.

In this pamphlet we are submitting for the consideration and action of our stockholders the balance sheets of our association as at May 31, 1939, and October 31, 1939, together with the general-income and profit-and-loss accounts for the year ended May 31, 1939, and the 5 months' period October 31, 1939.

The Farmers Union Grain Terminal Association began its operations on June 1, 1938, immediately following the operations of the Farmers National Grain Corporation, which were concluded on May 31, 1938.

The Farmers Union Grain Terminal Association, while a new corporation, is the outgrowth of the work of the old Farmers Union Terminal Association which was merged with the Farmers National Grain Corporation in 1931, and where it lost practically all of its capital structure.

The Farmers Union Grain Terminal Association began with a capital structure of $30,000 invested by the Farmers Union Central Exchange and loan capital provided by the Farm Credit Administration in the amount of $300,000. The loan capital of $300,000, furnished by the Farm Credit Administration, was provided under an agreement that protected all other creditors of the Farmers Union Grain Terminal Association except stockholders, and, therefore, this loan capital constituted what approximated, so far as our operations were concerned, a capital structure investment.

This loan capital was made available under a loan agreement, which ran 18 months. We hoped we would be able to pay half of it within the 18 months and then renew the other half. With the financial aid made available to producers by the Farm Credit Administration, wherewith the producers could invest in the preferred stock of the Farmers Union Grain Terminal Association, together with a very satisfactory operation, showing substantial net earnings, we were, happily, able to pay the Farm Credit Administration debt of $300,000 within a period of 15 months.

As is shown by our financial statement of October 31, the net worth is $628,782.03 and is made up as follows:

Common stock at $1 per share	$1,354.00
Preferred stock purchased by Farmers Union Central Exchange	30,000.00
Preferred stock purchased by farmers and farmers cooperative elevator associations	337,325.00
Surplus as of May 31, 1939	144,842.47
Net earnings June 1, 1939, to Oct. 31, 1939	115,260.56
Total net worth Oct. 31, 1939	628,782.03

The net worth is after having set aside $15,145.33 as a general reserve for doubtful accounts. This is arrived at by so much per bushel and is in excess of what we believe are doubtful accounts.

The board of directors at their meeting on July 14, 1939, by appropriate resolution, disposed of the surplus as of May 31, 1939—$144,842.47—as follows:

Transferred to reserve for permanent surplus (10 percent of net earnings for year ending May 31, 1939)	$14,484.25
Transferred to reserve for retirement of preferred stock (50 percent of net earnings for year ending May 31, 1939)	72,421.23
Transferred to patronage dividends payable	51,965.49
Balance available for payment of interest on preferred stock at 3 percent	5,971.50
Total	144,842.47

The Farm Security Administration has made loans to low-income farmers, to enable them to participate in the purchase of the preferred stock of our association. To protect the Farm Security Administration in these loans, the farmer signs a marketing agreement and assigns his dividends both for interest on stock and patronage dividend; also, a retains agreement, which provides that a certain fraction of a cent per bushel be deducted from his wheat sales, all of this security being set up behind the note signed by the farmer and given to the Farm Security Administration.

As additional security to the Farm Security Administration, the Farmers Union Grain Terminal Association agreed to set aside half of the net earnings each year in a reserve fund to protect the Federal Government against the default of any of the farmers in meeting the notes given to the Farm Security Administration, which enabled the said farmer to purchase the preferred stock in our association; therefore, at the end of our first year's operations, we have set aside $72,421.24 in this reserve fund.

As can be readily observed, this first year's reserve is nearly 22 percent of the total amount loaned by the Federal Government to farmers for their investment in the preferred stock of our association. Based on our earnings so far this year, it looks as though by the end of the second year of our operations we will have created a reserve fund for the protection of the Federal Government of 50 percent of the amount loaned by Farm Security Administration to the farmers to invest in the preferred stock of our association.

Some of the trade papers and newspapers have made some pretty rash statements about this plan of financing our cooperative asso-

ciation. We doubt whether the Federal Government holds any security for any of its loans in as well-secured position as those loans which the Farm Security Administration has made to farmers, enabling them to purchase preferred stock of our association. Time will tell whether this was a bad deal for the Federal Government. Your loyalty and patronage will also be a determining factor. We have great confidence in the future of the Farmers Union Grain Terminal Association and unlimited confidence in the loyalty and patronage of the farmers, and that means that we are confident that the Government will be repaid every penny loaned by it to farmers who participated in providing the capital structure of our association.

It, of course, is necessary to preserve and determine the interest of all patrons during the first year of our operation, as to their interest in the reserve fund. We, therefore, have computed the patronage dividends covered by this reserve fund and they have been set up and each patron interested therein is being given his certificate of interest in this reserve fund. The distribution of the patronage dividends for the year amount to approximately 65 percent of commissions charged, and the distribution of the earnings as ordered by the board is as follows:

Cash covering the interest on preferred stock outstanding as at May 31, 1939	$5,971.50
Certificates of interest issued against the reserve fund	72,421.23
Preferred stock issued	51,965.49
Retained for permanent surplus	14,484.25
Total	144,842.47

The patronage refund amounts to the following per bushel:

	Cent
Wheat	0.009757
Flax	.013009
Rye	.006540
Barley	.006540
Oats	.003251
Corn	.006540

As to the net earnings for the current fiscal year, they will be increased or decreased in line with the decision and activity of the Federal Government, acting through the Commodity Credit Corporation. If the Commodity Credit Corporation decides to go into the grain business and liquidate the wheat and corn loans, of course that will prove costly to the operations of the local cooperative elevators and costly to the net savings of the Farmers Union Grain Terminal Association.

We have, and are expending, all the overhead expenses and the technical field service carried on by our field men in connection with the wheat-loan program. There are some 6,000,000 bushels of loan wheat in our affiliated country elevators, in addition to several million bushels back on the farms. If we are denied the normal commission earnings in bringing this wheat to market during the period of liquidation, of course, our picture will be one of having spent all the money incident to helping carry on the program, but without getting any income in connection with the movement and liquidation of the wheat off of the farms and out of the country elevators.

Together with other members of the National Federation of Grain Cooperatives, we have been battling with the Department of Agriculture against its encroachment in the field of business, and we will continue to fight in the best way we know how against the Government getting into this business. There is no warrant for their getting into business, because it will prove more costly to the producer if they do. With their limited experienced personnel in Washington, D. C., and the branch offices, the farmer's basic market price and the amount of his premiums and discounts will be adversely affected by a liquidation program carried on under Federal bureaucracy. Conversely, the farmer's best interests will be served by permitting the grain to flow to market in its normal, natural channel, permitting each farmer to move his grain at such time and through such country point as he may choose. There will be less dumping and less arbitrary action to be found in this procedure than by leaving it to some sole authority at Washington, D. C. Every wheat and corn farmer in the United States ought to write to his Representative in the House and his Senators, declaring his militant objection to this tendency to bring bureaucracy of the Federal Government into the field of commerce and distribution.

Our terminal elevator, during the past year, has been operated as close to capacity as any terminal elevator we know of in the United States. It is not operated as a mixing or merchandising house, but rather as a service house for the country elevators, the farmers, the Wheat Crop Insurance Corporation, the Federal Surplus Commodities Corporation, and the Commodity Corporation. We have maintained the integrity of the grain placed in storage and trust we have set an example as to the type of warehousing at the terminal markets that should be carried on by all warehousemen.

During the present crop season, we were obliged to concentrate more than three and one-half million bushels of our member loan wheat in other terminal elevators. We know what we put in those elevators and because of the size of our business as a customer, we are thus in a position to protect those who have stored to see that like quality grain is turned out eventually for their interest and account. This last statement is most important and should engage your serious thinking so that you can thoroughly understand the implications of this improved service.

Since the time we began operations on June 1, 1938, we have set up new local cooperative elevator associations, or have reorganized weak ones, as follows:

North Dakota	56
South Dakota	14
Montana	11
Minnesota	12
Total	93

We operated three elevators in our own line, as follows: Clinton, Minn., Ryder, N. Dak., and Williston, N. Dak.

Our volume of business for this year, as compared to last year, will probably increase by 25 percent.

The Farmers Union Grain Terminal Association is the largest cooperative grain marketing association in the United States. Together with other regional grain cooperative associations operating similarly as our own, we are a part of the National Federation of Grain Cooperatives, the officers of which are M. W. Thatcher, St. Paul, Minn., president; A. R. Shumway, Milton, Oreg., vice president; and Aksel W. Nielsen, Omaha, Nebr., secretary-treasurer.

The National Federation of Grain Cooperatives does no marketing. It is a body which keeps the regional members in close touch with each other as to marketing policies, problems of Federal administration, of agricultural programs, etc. Jointly, the National Federation of Grain Cooperatives works in harmony with the national farm organizations in matters of national legislation. The National Federation of Grain Cooperatives is interested in all matters affecting the grain producers, except that it does not go into the field of financing or actual grain operations.

During the first 17 months of operations of the Farmers Union Grain Terminal Association, the general manager has been obliged to operate on three fronts:

First. In effectuating a complete marketing service for the business at hand.

Second. In the development of new local cooperative associations in the country, to expand the cooperative movement and improve the usefulness of the Farmers Union Grain Terminal Association.

Third. As chairman of the national legislative committee for the National Federation of Grain Cooperatives and as legislative representative for the Northwest Farmers Union legislative committee, much of our time has been taken up in important national legislative matters affecting agriculture. Outstanding amongst these are:

(a) The bill which provides credit, without interest, enabling farmers to take out wheat crop-yield insurance.

(b) Administrative problems of Commodity Credit Corporation in connection with wheat loans, and particularly in causing the Commodity Credit Corporation to recognize and make an allowance in the form of additional loans for premium wheat.

(c) Preparing and causing to be introduced in the Congress the wheat income-certificate bill, as well as the important Federal debt-adjustment bill.

The Farmers Union Grain Terminal Association operates with 9 memberships in Minneapolis and 4 memberships at Duluth, and maintains branch offices at Minneapolis, Duluth, Fargo, Grand Forks, and Great Falls, with the home office at St. Paul, Minn. We maintain at the present time 114 people on our pay roll.

The stockholders' meetings begin on December 12 and conclude the night of the 13th of December. On the night of the 12th, we are giving a dinner for those in attendance who are directors of Farmers Union Grain Terminal Association and local cooperative elevator associations. On the night of the 13th, we are giving another dinner for the employees of the Grain Terminal Association, together with the managers of the local cooperative elevator associations who may be in attendance.

It is the intent and the hope that at these two meetings there will be complete informality and each one will say what is on his mind, which will contribute to the increased success and usefulness of the cooperative movement, as expressed by the local cooperative elevator association and the Farmers Union Grain Terminal Association. We will try to make our stockholders' meetings the place and the time for each one to say what is on his mind and offer every bit of criticism he thinks will be helpful so that we can improve the service of your marketing organization and can be most helpful in improving the success and service of your local cooperative elevators. The success of the Farmers Union Grain Terminal Association rests upon the confidence and satisfaction of the individual farmer, and his application in support of his local cooperative elevator association, and, finally, the Farmers Union Grain Terminal Association and the National Federation of Grain Cooperatives. We do have pride in our immediate success because it furnishes the needed financial stability to help us meet the problems ahead. There is no assurance that such substantial net savings can be realized in the future because we do not know whether we are to have crops or droughts; we do not know whether the Federal Government is going to invade the field of marketing; we just

are unable to foretell future developments. But we are glad that we have a sound financial statement, that we have adequate resources, and the full confidence of the Farm Credit Administration at Washington, which furnishes us loan operating capital. With crops, the confidence and the good will of the farmers, and the continued confidence of the Farm Credit Administration, and with careful, conservative management, we ought to go forward with continued success, if crops are available.

There is one thing the management desires to point out most particularly, and that is the policy and attitude which it holds toward the farmers, as individuals, and as a collective group. The management contends that it is most important that all of the cooperatives in the country and at the terminal be soundly administered and preserved against failure, but if all we're to do is to build sound cooperatives while our farmers continue to sink in the mire of debt and agricultural futility, then we believe it is all for no avail. Rather, as most of you know, the management of your association is determined that for your commodities, you must be provided national legislation to safeguard you against low prices and small income; otherwise, your business is one of futility.

Further, as most of you know, your management believes that the whole philosophy of agricultural credit must be reconstructed in the United States. To that end, it has led the development and fight for a sound adjustment of agricultural farm mortgage debt, to the end that farmers may be encouraged and helped to stay in their homes, with a white man's chance that they can eventually own them. We believe that the first line of defense against a disorganized and decaying democracy rests upon the security of the farm family on the farm. We feel encouraged that our debt adjustment bill likely will be enacted into legislation during the next session of Congress. It may not be all that we desire, but it will approximate a new philosophy of agricultural credit which will give the farm family a low rate of interest on its farm debt, a longer period of time in which to pay it, and protection in these annual payments against being dispossessed because of low prices or short crops.

The Farmers Union Grain Terminal Association can take some satisfaction out of the fact that it has developed and promoted the wheat-income-certificate bill, the debt-adjustment bill, and the crop-insurance credit bill, and it has, thus, given direction to State units of the Farmers Union, and, finally, been fully supported by the National Farmers' Union.

There has been a little criticism that the management of your Farmers' Union Grain Terminal Association has spent too much time in the creation and establishment of the National Federation of Grain Cooperatives and on national legislation. The stockholders' meeting, which is about to take place, offers the opportunity to go into the questions raised herein. It is for the stockholders to decide whether they are only interested in building cooperative marketing service, or whether, in addition to that, they believe that it is equally important that the management should direct its energy toward leading the fight for national legislation, to preserve commodity incomes and farm homes.

In addition to the loyal support of our patrons over the Northwest, permit me to take this opportunity to express to you my deep appreciation of the fidelity and intelligent cooperation that has been given the management by all of the employees of the Farmers Union Grain Terminal Association. In my 38 years of business experience, I have never seen an organization of people more thoroughly dedicated to the success of an institution than is shown by the employees of this organization. They are deserving of your enthusiastic support.

Respectfully submitted.

M. W. THATCHER,
General Manager.

Balance sheet as of May 31, 1939

ASSETS

Current assets:			
1. Cash on hand, in banks, and in transit			$104,850.07
Accounts receivable:			
2. Due from buyers for grain	$250,016.51		
3. Financed elevator accounts	257,199.05		
4. Contract elevator accounts	86,300.82		
5. Advances on grain	81,504.52		
6. Margin deposit clearing house	16,000.00		
7. Drafts for collection	700.00		
8. Freight I. W. and S	691.19		
9. Miscellaneous	1,630.95		
	694,043.04		
Less: Reserve for doubtful accounts	15,145.33		
			678,897.71
Notes receivable:			
10. Employees (secured)	4,353.93		
11. Loans on warehouse receipts	2,965.80		
12. Government wheat loans	3,453.02		
13. Miscellaneous	21.55		
			10,794.30
14. Stock in Central Bank for Cooperatives			11,300.00
15. Inventory, grain			244,818.28
Accrued:			
16. Open grain contracts			
17. Grain-handling charges	$54,246.01		
18. Insurance	3,200.70		
19. Interest	115.72		
			57,562.43
			$1,108,222.79

Balance sheet as of May 31, 1939—Continued

Other assets:			
20. Memberships in grain exchanges	$19,672.86		
21. Advanced to employees for travel	2,065.38		
22. Meter deposits	25.00		
23. Due on stock subscriptions	103,216.00		
			$124,979.24
Contra (see liability):			
24. Deposited with trustees (securing elevator credit balances)	80,752.49		
25. Deposited, segregated bank (customers' margin)	22,023.60		
26. Deposited, clearinghouse (customers' margin)	7,000.00		
			109,776.09
Fixed assets:			
27. Automobiles	2,494.75		
28. Furniture and fixtures	10,985.91		
		$13,480.66	
Less reserve for depreciation		701.19	
			12,779.47
			1,355,757.59

LIABILITIES

Current liabilities:			
Notes payable:			
29. Farm Credit Administration, operating loan	$825,000.00		
30. Farm Credit Administration, commodity loan	2,100,000.00		
		$2,925,000.00	
Accounts payable:			
31. Customers for grain	39,927.20		
32. Advances received on grain	71,550.00		
33. Outstanding grain drafts	11,495.41		
34. Financed elevator accounts	102,590.40		
35. Farm Security Administration, retains on stock	13,012.47		
36. Miscellaneous	908.10		
		239,483.58	
Accrued:			
37. Grain costs	3,367.33		
38. Taxes	3,557.93		
39. State fees, I. W. and S	1,743.78		
40. Interest, expenses	8,637.26		
41. Open grain contracts	712.69		
		18,018.99	
Total current liabilities			$3,182,502.57
Contra (see assets):			
42. Elevator credit balance, secured		65,527.18	
43. Customers' margins		67,105.32	
			132,632.50
Deferred income:			
44. Facility income		13,567.28	
45. Service charges, refund		2,823.83	
			16,391.11
Net worth:			
Capital stock:			
Common, authorized 25,000 shares, at $1	25,000.00		
Less, unissued	23,646.00		
Outstanding	1,354.00		
Preferred, authorized 40,000 shares, at $25	1,000,000.00		
Less, unissued	632,675.00		
Outstanding	367,325.00		
Surplus as of May 31, 1939		144,842.47	
Net earnings, June 1 to Oct. 31, 1939		115,260.56	
Total net worth		628,782.03	
Total			3,960,308.21

Balance sheet Oct. 31, 1939

ASSETS

Current assets:			
1. Cash on hand, in bank and in transit		$319,583.89	
Accounts receivable:			
2. Due from buyers for grain	$67,147.76		
3. Financed elevator accounts	1,020,552.80		
4. Contract elevator accounts	47,353.02		
5. Advances on grain	6,941.00		
6. Margin deposit clearing house	9,000.00		
7. Drafts for collection	4,545.92		
8. Freight, I. W. and S	515.00		
9. Miscellaneous	2,472.35		
	1,158,527.85		
Less, reserve for doubtful accounts	15,145.33		
		1,143,382.52	
Notes receivable:			
10. Employees, secured	4,900.43		
11. Loans on warehouse receipts	8,812.62		
12. Government wheat loans	2,168,313.37		
13. Miscellaneous	50.00		
		2,182,076.42	
14. Stock in Central Bank for Cooperatives		45,000.00	
15. Inventory, grain		62,296.70	
Accrued:			
16. Open grain contracts			
17. Grain handling charges	23,118.50		
18. Insurance	770.47		
19. Interest	4,089.11		
		27,978.08	
Total current assets			$3,780,317.61

Balance sheet Oct. 31, 1939—Continued

Other assets:		
20. Memberships in grain exchanges	$19,672.86	
21. Advanced to employees for travel	2,005.35	
22. Meter deposits	25.00	
23. Due on stock subscriptions	6,200.00	
		$27,903.21
Contra (see liability):		
24. Deposited with trustees (securing elevator credit balance)	65,527.18	
25. Deposited segregated bank (customers' margin)	51,405.32	
26. Deposited clearing house (customers' margin)	15,700.00	
		132,632.50
Fixed assets:		
27. Automobiles	7,189.59	
28. Furniture and fixtures	14,034.77	
	21,224.36	
Less, reserve for depreciation	1,769.47	
		19,454.89
Total		3,960,308.21

ASSETS AND LIABILITIES

1. Cash:
   American National Bank, St. Paul.
   Midland National Bank, Minneapolis.
   First & American National Bank, Duluth.
   Great Falls National Bank, Great Falls.
   Cash in transit.
   Petty cash.
2. Due from buyers for grain:
   Represents the value of grain sold to buyers which has not yet been unloaded or the invoice completed.
3. Financed elevator accounts:
   Represents the amount due us from local cooperative associations financed by us on open account.
4. Contract elevator accounts:
   These elevators are operated by us under agreement with local associations. The agreement provides that we lease the elevators and operate them on a profit-sharing basis, with 50 percent of the net earnings accruing to the local association and the balance to ourselves. There are eight elevators so operated, and the balance due us represents advances made for the purchase of grain and fuel, together with the local expense involved. When the grain is eventually received by us the proceeds are credited to these accounts.
5. Advances on grain:
   This item represents the amount we have advanced to individual shippers on their consignments for sale or storage, including the freight charges. When the grain is sold and accounted for, these advances are then collected.
6. Margin deposits on grain:
   This item represents funds we have deposited with the clearinghouse to margin the open trades we have in hedges against our cash grain.
7. Drafts for collection:
   Represents the amount of our outstanding drafts on buyers to whom we made sales of cash grain for delivery at points other than Minneapolis or Duluth.
8. Freight—I. W. & S.:
   Amounts we have paid for freight, inspection, weighing, and switching which at the date of this report had not been collected.
9. Miscellaneous accounts receivable:
   This item includes a balance due us for loans made to local associations for acquisition of facilities to which we hold title pending payment in full.
10. Employees' notes receivable:
    Represents the amount due from employees for loans made to them for the purchase of automobiles which are used on official business of the corporation. We hold title to these cars pending full payment of these notes.
11. Loans on warehouse receipts:
    Loans made to individual farmers for approximately 65 percent of the net value of their grain represented by local and terminal storage tickets. We hold the warehouse receipts as collateral. Apparently these individuals are not eligible for Government wheat loans.
12. Government wheat loans:
    This item represents the amount we have loaned to farmers on local and terminal warehouse receipts, including farm storage. Title to the grain is vested in us as collateral to these loans. In the event the borrower does not redeem his loan before April 30, next, we will rediscount with Commodity Credit Corporation at the full amount advanced by us.
13. Miscellaneous:
    Notes receivable unsecured.
14. Stock central bank for cooperatives:
    Our borrowings from the central bank at Washington are subject to a deduction of 5 percent on operating loans and 1 percent on commodity loans. The amount so deducted is invested in the capital stock of the bank, and this stock is retired as the loans are repaid.
15. Inventory:
    This item represents the market value of our cash grain stocks as of the date of this report. This grain is all hedged, except barley, which cannot be hedged satisfactorily because of a very narrow futures market for it. Only a small stock of barley is carried.
16. Open grain contracts:
    The difference between the market price and the contract price of grain bought or sold and contract not completed.
17. Accrued grain-handling charges:
    Represents the amount due us for storage and handling charges on grain which have not been collected at the date of this report.
18. Accrued insurance:
    Represents the unexpired portion of insurance premiums paid.
19. Accrued interest:
    Interest due us as of the date of this report and not yet collected.
20. Memberships in grain exchanges:
    Eight memberships in the Minneapolis Chamber of Commerce and one membership in the Chamber of Commerce Clearing Association. Three memberships in the Duluth Board of Trade and one membership in the Duluth Board of Trade Clearing Association.
21. Advances for travel:
    Represents loans made to employees for travel. In other words, an advance payment of their traveling expenses.
22. Meter deposit:
    Deposited with the Montana & Dakota Utilities Co. for meter installed in our Williston elevator.
23. Due on stock subscriptions:
    Represents the amount of Farm Security Administration checks held by individuals awaiting their endorsement for transmittal to us in payment of preferred stock issued to them.
24. Deposited with trustees:
    Cash deposited in escrow to secure credit balances of those elevator accounts having executed the trust agreement. This item offset by a corresponding liability. The trustees are permitted by the agreement to reloan these funds when such loans are secured by proper collateral.
25. Deposited in segregated bank:
    Customers' margin money deposited in escrow in accordance with Federal requirements, "Commodity Exchange Act," to protect their trades in grain futures.
26. Deposited in clearing house:
    Customers' margin deposited with clearing house in accordance with requirements "Commodity Exchange Act"—similar to segregated bank.
27. Automobiles:
    Represents the cost, less depreciation of company-owned autos.
28. Furniture and fixtures:
    The amount invested in desks, chairs, typewriters, adding and calculating machines, accounting machines, files, stationery, and all other office equipment, etc.

29–30. Notes payable:
    Loans from (F. C. A.) Central Bank for Cooperatives, Washington, D. C. The operating loan is for our general working capital. The commodity loan represents borrowings secured by warehouse receipts, practically all of which include Government wheat loans.

31. Customers' accounts for grain:
    Represents the value of grain bought from or sold for customers, but the final returns not yet made to them as of the date of this report.
32. Advances received on grain:
    Represents the amount received from buyers on grain sold to them as an advance, pending the receipt of the unloading weights on the shipments.
33. Outstanding grain drafts:
    Drafts on us for the purchase of grain by elevators operating on the bid plan in the Great Falls area and our elevator at Williston, which drafts have not yet cleared through banks here.
34. Financed elevators:
    Credit balances of elevators who have not executed the trust agreement relating to such credit balances.
35. Retains for stock:
    Amounts deducted from the proceeds of shipments for credit to local elevator associations recently organized through loans by F. S. A. to individual members of such local associations. These funds are due F. S. A. for application on the notes given by these borrowers.
36. Miscellaneous:
    All other accounts payable.
37. Accrued grain costs:
    Represents the amount due shippers on track-purchases basis, a certain grade and protein, where delivered grade or protein was higher than contract.
38. Accrued taxes:
    Taxes on grain and pay rolls, old-age benefit, etc., due but not yet payable.

39. State fees—I. W. & S.:
Inspection, weighing, and switching service performed by the State and railroads, which charges are due but not yet payable.

40. Accrued interest and expense:
Interest owed and expense incurred but not paid as of the date of this report.

41. Open grain contracts:
The difference between the market value and the contract price of grain bought or sold where the contract has not yet been completed.

42–43. Contra accounts:
The offset to the assets indicated by numbers 24–25 and 26.

44. Deferred facility income:
Represents the collection of storage charges in advance of their earning. For example, the storage rate from August 1, 1939, to August 1, 1940, is 1 cent per bushel per month, with a maximum charge of 7 cents for the season. Prior to the maturity of the storage period, the storer paid the 7 cents; consequently, the amount received was taken into our income account and in order to correctly reflect the accounting records, the prepaid storage is set up as deferred income.

45. Service charge:
Represents an amount set up to retire claims for refunds of charges made by us on Government-loan redemptions last year. The balance represents deferred income inasmuch as a greater amount was set up than appears necessary to complete payment of these refunds.

46. Deferred liabilities:
A temporary loan from Farm Credit Administration, for working capital, containing a subordination clause relating to the rights of other creditors. This loan has since been paid in full.

47. Trustees' notes payable:
A loan from the trustees, secured by the deposit of warehouse receipts as collateral (see 24).

Income profit and loss statement, June 1, 1938, to May 31, 1939

Gross income from grain merchandising:		
Includes grain bought on track and terminal and line elevator operations		$137,747.02
Other income:		
Commissions on consigned grain and grain futures, storage, and handling, and miscellaneous income		323,521.08
Total gross income		461,268.10
Deduct:		
General, administrative, and facility expense:		
Advertising	$4,237.54	
Maintenance of equipment	1,886.57	
Dues and subscriptions	2,654.25	
Insurance, taxes, license, and bonds	11,371.31	
Exchange	3,666.40	
Branch offices	12,111.53	
Educational and organization	10,196.46	
Rent, light, and heat, office	6,917.33	
Postage and supplies	11,612.36	
Special and annual meetings	5,450.27	
Telephone and telegraph	11,138.34	
Custodian fees and miscellaneous	3,842.44	
Salaries (at home office; branch offices and fieldmen)	120,564.00	
Travel	29,822.76	
Facility expense (total expenses of terminal and line elevators)	65,808.74	
		301,280.30
Net profit from operations		$159,987.80
Less provision for doubtful accounts		15,145.33
Net earnings for the period		144,842.47

Income, profit, and loss statement, June 1, 1939, to Oct. 31, 1939

Gross income from grain merchandising: Includes grain bought on track and terminal and line elevator operations		$72,469.64
Other income: Commissions on consigned grain and grain futures, storage, handling, and miscellaneous income		229,792.84
Total gross income		302,262.48
Deduct:		
General, administrative, and facility expense:		
Advertising	$4,894.26	
Maintenance of equipment	682.41	
Dues and subscriptions	1,065.99	
Insurance, taxes, license, and bonds	7,799.47	
Exchange and interest	11,930.77	
Branch offices	6,282.16	
Educational and organization	7,121.50	
Rent, light, and heat, office	2,756.54	
Postage and supplies	7,485.07	
Special and annual meetings	282.71	
Telephone and telegraph	6,972.72	
Custodian fees and miscellaneous	6,360.30	
Salaries (at home office—branch offices and field men)	72,889.53	
Travel	18,685.66	
Facility expense (total expenses of terminal and line elevators)	31,783.83	
Total		186,992.92
Net earnings for the period		115,260.56

STRAND & ROE,
CERTIFIED PUBLIC ACCOUNTANTS,
Minneapolis, Minn., July 12, 1939.

CERTIFICATE

To the Board of Directors of the Farmers Union Grain Terminal Association, St. Paul, Minn.

GENTLEMEN: In accordance with your instructions, we have made an examination of the balance sheet of the Farmers Union Grain Terminal Association as at May 31, 1939, and of the statement of income and surplus for the year ended that date. In connection therewith, we examined or tested accounting records of the company and other supporting evidence and obtained information and explanations from officers and employees of the company; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

In our opinion, the accompanying balance sheet and related statement of income and surplus fairly present, in accordance with accepted principles of accounting maintained by the company during this the first year of operations, its position as at May 31, 1939, and the results of its operations for the year.

Yours very truly,

STRAND & ROE,
Certified Public Accountants.

Mr. MUNDT. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MUNDT: Strike out the final period and substitute a comma and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade agreement negotiations the following excise taxes and tariff schedules:

"(1) excise taxes imposed under the provisions of paragraphs 4, 5, 6, and 7 of subsection 'c' of section 601 of the Revenue Act of 1932, as amended, which are now a part of the Internal Revenue Code, subtitle 'c', chapter 29, subchapter 'b', part 1, sections 3420, 3422, 3423, 3424, 3425; and

"(2) rates of duty prescribed in schedule 7, of title I of the Tariff Act of 1930, which schedule deals with agricultural products and provisions."

Mr. MUNDT. Mr. Chairman, I hope all Members will listen to me carefully, because I have only a short time in which to explain this amendment. However, I have previously served notice on this House of its contents and of my intention to make it. I think it is of vital importance to a great many Members of the House. The first portion of it is the Disney amendment, word for word, and those who sincerely believe in the purposes of the Disney amendment are here given another chance to voice their convictions. The second portion simply exempts schedule 7 from further negotiations by the Secretary of State, and consequently accomplishes those things tried to be accomplished by the gentleman from Oklahoma [Mr. MASSINGALE] and by the gentleman from Florida [Mr. PETERSON] and the other gentlemen attempting to exempt certain other agricultural products. I submit this is at least a test of the sincerity of the Members of the House. If you believe in protecting these particular things about which we have been speaking so glibly today, you now have this opportunity to do so in a parliamentary manner.

Personally I am highly disappointed at the high-handed way in which the debate has been curtailed, but at least you have now a clear-cut way in which to vote and express your opinion.

You Members will recall in the speech I made on the floor when attempting to offer to the Disney amendment my amendment to exempt certain farm products from further tariff reductions—which amendment, incidentally, was ruled out on a point of order which the Chair candidly admitted was a very close decision—that I warned the House that when agricultural products came up for discussion you would see the New Deal leadership inevitably move to close debate and gag the House. The anticipated has happened. Since 11 o'clock this morning the Ways and Means Committee members have monopolized practically all the time given over to amendments and now that individual Members want to offer amendments to protect the farmers and other constituents, the majority leader forces through a motion gagging the House and allowing exactly 34 minutes in which to consider 16 proposed amendments. My friends, the country should know and evaluate the New Deal's repeated and continued attempt to sacrifice the American farmer not only by subjecting him to a flood of cheap foreign imports but even to the extent of ap-

plying the dictatorial gag rule by whipping the majority Members to vote to close debate and thus precluding anything resembling fair or adequate debate and discussion of the farmer's needs in tariff legislation.

The gentleman from Texas [Mr. RAYBURN] scoffed at President Ed O'Neal and the American Farm Bureau, and became highly sarcastic in criticizing this fine farm organization for daring to propose to Congress some amendments to protect the American farmer. He succeeded in leading his Democratic ditto-markers to victory in defeating the American Farm Bureau amendment, offered by the gentleman from Kansas [Mr. CARLSON], but I am proud to say that every Republican in the House voted for the amendment. The farmers of America have Democrats and Democrats alone to thank for the fact that this bill is being driven through by high-handed gag rules and power drives by the administration, with no attention being given to increasing protection for the American farmer against the foreign foods and fabrics which are already spelling his ruin and bankruptcy.

This latest Democratic drive to curtail free speech and to sacrifice legislative deliberation for the lure of a week-end adjournment from Friday night to Monday noon is the worst manifestation of indifference to the farmers' plight I have ever seen. It was for that reason I insisted on having tellers on the majority leader's vote to close debate. I wanted to stand where I was assigned to stand, charged with responsibility of counting the Members as they passed down the aisle on that ultra-un-American vote to stop debate before any possibility of adequate consideration could be given to 16 pending amendments.

I am glad I was one of the men counting the vote, as I can now inform the House that only one Democratic Member of this body joined with every Republican who was in the assembly at the time in voting against this harsh and heartless rule to gag the House. Again, I am proud that not a single Republican supported the motion to gag the House and close debate. I only wish some advance notice had been received of the majority's intention to move to shut off all debate so that more Members could have anticipated this unusual procedure. Had we had time to notify all Republican Members of this strategem on the part of the New Deal powerhouse, we could have swelled the vote to represent 100 percent of the Republican membership of this House, although I presume the same notice would have brought sufficient new dealers running in to obey administrative orders so the gag rule would still have prevailed. Suffice it to say, it is the sorriest example Americans have seen for a long time of the Democratic steam roller pushing down opposition to free trade protests and rolling over tariff walls designed to protect the American farmer in his right to supply the American markets with his own produce.

Now, friends, let it be clear to all who hear these remarks or who read this record, a vote for my amendment will accomplish precisely what the Disney amendment would have accomplished, plus giving added protection to the American farmer. It will give protection to the oil producer, the coal miner, the lumber interests, and the copper miner, and it will also give the same exemptions from further tariff reductions to every farmer in America on every crop, fruit, vegetable, or animal he raises. If the Democrats arguing for the Disney amendment were not simply engaging in a demonstration of demagoguery, they can now vote with Republicans, who will support my amendment 100 percent strong, and give legislative protection as well as lip service to the oil, lumber, and mining industries along with the American farmers. They can now demonstrate their determination to give protection against unconstitutional cuts in excise taxes and against un-American cuts in farm tariffs or they can fail to vote on my amendment.

However, I now serve notice that if rumors which I have heard are true and if many Democratic Members who spoke lustily for the Disney amendment in the first instance are now planning to leave the floor, fail to vote on my amendment, or even vote against it, I am determined that no cloak of secrecy shall hide their actions.

I have conferred with the minority members of the Ways and Means Committee. A motion to recommit the trade-agreements-extension resolution to committee will be offered by the members of the Republican minority on the Ways and Means Committee. You, and more especially your constituents, will be interested in the contents of this motion to recommit. It will include the language and purposes of the Disney amendment to exempt excise taxes from further slashes by the Secretary of State; it will include my amendment to exempt from further tariff reductions products of American farms selling for less than cost of production; and it will include the motion of the gentleman from New York [Mr. CROWTHER] to require congressional review and ratification of all new trade agreements. By your vote on this motion to recommit this resolution to provide these fair and just protections to the oil, lumber, mining, and farming industries, as well as to labor in industries now suffering from sweatshop foreign competition, will your sincerity of purpose be measured in the matter of placing protection of your own citizens above political protection for your partisan interests. The test will be clear-cut and the roll will stand in black and white as mute testimony of what every Member in this House does here today to protect and safeguard the economic security of his own people. I am mighty happy that the new dealers have, as yet at least, discovered no parliamentary trick for depriving the Republican minority from making this motion to recommit and from forcing an open roll-call vote on these fundamental issues of life and death for the economic pursuits of so many of our people.

Let me quote President Roosevelt himself on that portion of my amendment which deals with protection for the products of American farms. Speaking in Baltimore, Md., October 25, 1932, Franklin D. Roosevelt said in the following words that he believed American agriculture was protected to the full measure of tariff protection it was then enjoying. I quote the President:

> It is absurd to talk of lowering tariff duties on farm 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 in the United States knows it and will not be deceived.

There, my good Democratic colleagues, you have the President's word for it. In spite of this plain pledge to American agriculture, a great many farm tariffs have been reduced to the point of bringing virtual ruin to a great many American producers. In my motion, and again in the motion to recommit which we shall offer, you have a chance to help redeem President Roosevelt's pledge to the American farmer. If you vacate your responsibility by ratifying the extension of these treaties, however, you join the President's revised attitude and support his move to sacrifice the American farmer in behalf of the foreign producer. The decision rests with you. By your vote today you can perpetuate this 10-year-old depression or you can join with us Republicans in at least repealing those sections of the trade-agreements program which are doing the most to reduce prices for farm products, force workingmen out of jobs, and prolong the New Deal depression.

THE NEW DEAL SELLS OUT TO WALL STREET

Before stopping I think I should mention one other matter. Perhaps a few of you vaguely remember the days when the new dealers and their President used to condemn Wall Street and talk about "economic royalists," "princes of privilege," and of a noble crusade to drive the money changers out of the temple. Here is some surprising news for those of you with memories long enough to carry you back to those intriguing phrases. We now have convincing evidence that the New Deal has sold out to Wall Street, lock, stock, and barrel. On my desk I have some interesting documents from Wall Street bankers—all of them urging Congress to continue the reciprocal-trade agreements. Most of the big city banks in New York City as well as the various brokerage firms are putting out literature attempting to influence women's clubs, service clubs, Members of Congress, and all and sundry who will read the propaganda that the reciprocal-trade agreements are a fine thing for industry and for America. Wall Street wants these agreements continued. So do the new

dealers. Serenely, now, they walk hand and hand down the aisle and join in mutual effort to stimulate international banking profits, but entirely forgetful of the ruin being wrought upon American producers of raw materials.

Mr. Leffingwell, a partner of J. P. Morgan in his broker's business in New York City, has written in glowing terms about the value and virtue of the New Deal reciprocal-trade agreements. Slyly avoiding his name, but significantly quoting his reasoning, the Democratic Members of this House have echoed these Wall Street sentiments throughout this debate. At least American farmers are entitled to know of this new unholy alliance—or is it new?—between the New Deal on Pennsylvania Avenue and the big-business barons on Wall Street.

Fifty-four Congressmen and Senators joined with the present speaker in protesting against the Argentine trade agreement when it was recently up for consideration. President Roosevelt and Secretary Hull resorted to smart politics when they permitted the discussions on the Argentine treaty to lapse just prior to the time the extension of this Executive treaty-making power was to be considered by Congress. However, we should remember the threat of these new treaties with Argentina is as real as ever—it has far from lapsed. Once this treaty-making power is again extended to the Executive to do with what he chooses regardless of local interests, we may well expect new discussions to begin and a new Argentine treaty to appear. In fact, President Roberto M. Ortiz, of Argentina, has already said these discussions came to an end because of "insufficient information and complete understanding." He further is quoted in an Associated Press dispatch from Argentina dated January 6 of this year as saying that he felt President Roosevelt would favor resumption of the negotiations "in the near future," and added, "For my part, I fully desire it." There, fellow Members, you have it in a nutshell. While I am naturally happy to have had a part in joining with 54 other Congressmen and Senators in giving America a breathing spell from these new, ruinous agreements with Argentina, I shudder to anticipate the effect which the revival of these discussions and the completion of a new Argentine give-the-American-farm-market-away trade treaty will have on our own producers.

Surely the duty of the 55 Members of Congress who protested against these treaties is clear on this issue. It is necessary, in order to be consistent in the attitude displayed when protests were made against that treaty, to vote in favor of the minority motion to recommit, because this recommittal motion would accomplish for American producers, permanently, precisely what was accomplished for them, temporarly, by insisting upon the abandonment of these Argentine agreements. More than that, a vote to recommit this resolution or to defeat it outright will give more protection to American producers than was secured by the abandonment of the Argentine agreements, because it will permanently exempt from further tariff reductions the oil, lumber, mining, and farming industry, and will give protection to labor by barring tariff reductions on articles now coming in from sweatshop foreign labor. In the interests of consistency and in the interests of all America I urge you to support my amendment and to support the minority resolution to recommit this trade agreement extension resolution to committee with instructions to rewrite it so as to afford adequate protection to assure American farmers and laborers of the American standard of living and give American producers of raw materials a fair chance to contribute to a new national prosperity. [Applause.]

The CHAIRMAN. The time of the gentleman from South Dakota has expired. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken; and on a division (demanded by Mr. MUNDT) there were—ayes 95, noes 118.

So the amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MOTT: After line 8, change the period to a colon and add the following: "*Provided, however,* That nothing in said section or any section of said act shall be construed to authorize the President to suspend the operation of section 304 of the Tariff Act of 1930, requiring imported articles to be marked with the name of the country of their origin, and all acts or parts of acts in conflict with said requirement of section 304 are repealed."

The CHAIRMAN. The gentleman from Oregon is recognized for a minute and a half.

Mr. MOTT. Mr. Chairman, if I may have the attention of my colleagues for the brief space of a minute and a half, in 1930 the Congress, after careful consideration and debate, passed with an almost unanimous vote, a law which requires imported articles to be marked with the name of the country of their origin, and that law has been on the statute books ever since. In 1938 an amendment was adopted giving the President discretion to suspend the operation of this law in event he should find it necessary to do so in making trade agreements. In doing this a majority of the Congress, I believe, made a very serious mistake, which it ought to take this opportunity to correct.

Admitting for the sake of argument that there may be good reason for reducing tariffs; admitting for the sake of argument, if you will, there may even be a reason why the President should make tariffs instead of the Congress; certainly I cannot see why the law requiring imported articles to be marked with the name of the country of their origin should be suspended under any circumstance. An American citizen buying merchandise in the American market certainly has a right to have notice whether the merchandise he is purchasing was produced in the United States or whether it was produced in a foreign country. I can see no objection that anyone could possibly have to the adoption of this amendment. I think it should be adopted.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oregon [Mr. MOTT].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT] to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: After line 8, insert the following new section:

"SEC. 2. Section 3420 of the Internal Revenue Code is hereby amended by striking out the words 'unless treaty provisions of the United States otherwise provide.'

"SEC. 3. Hereafter the term 'duties and other import restrictions', as used in said section 350 of the Tariff Act of 1930 as amended, shall not include the import tax on coal imposed by section 3423 of the Internal Revenue Code."

Mr. VAN ZANDT. Mr. Chairman, at the present time Russian coal is permitted to be shipped into our country duty-free. If my amendment is adopted, a duty must be levied on every ton of foreign coal imported.

The commercial agreement between the United States and Soviet Russia became effective August 6, 1937, and has since been annually renewed. It is now in effect until August 6, 1940. Under such agreement the Soviet Union receives benefits and concessions granted by the United States in trade agreements with countries other than Cuba, entered into under the authority of the Trade Agreements Act. One of the concessions entitles Soviet Russia to import coal into this country free of any duty. In 1936 approximately 400,000 tons of Soviet coal came into this country. In 1937 and 1938 the imports of Soviet coal approximated 200,000 tons annually. In 1939 for 11 months 189,000 tons of Russial coal were received. For the year 1940 Russia is permitted to ship up to 400,000 tons of her cheaply mined coal.

It is needless for me to again stress the plight of our own coal industry. It is in need of rehabilitation, and the stoppage of this Russian coal is of paramount consideration.

A vote for my amendment is a step in the direction of aiding our own coal industry by safeguarding the jobs of the American coal miners.

The CHAIRMAN. All time has expired on the amendment.

The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. SCHAFER] to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: After the period at the end of line 8 insert: "*Provided*, That no trade agreement shall reduce the existing tariff rates on live or dead turkeys."

The CHAIRMAN. The gentleman from Wisconsin is recognized for 1 minute.

Mr. SCHAFER of Wisconsin. Mr. Chairman, in 1 minute I cannot cover this important question, so at a later date I shall deliver a post mortem speech on the imported dead-turkey schedule of the Hawley-Smoot bill. The New Deal claims to have driven the money changers from the temple of our Government although the record indicates they have driven them into it. They have certainly driven Grundy, Smoot, and Hawley from the high protective and embargo tariff temple and the high priest in that temple now appears to be the gentleman from Virginia [Mr. ROBERTSON], who led the fight for this pending bill and vitriolically denounced a protective tariff on a number of occasions during the past few days. Mr. Chairman, I hold in my hand the printed hearings held by the Committee for Reciprocity Information on October 17, 1939. The gentleman from Virginia [Mr. ROBERTSON] testified at length in favor of continuing the 10-cent-per-pound or 40-percent tariff on imported dead turkeys under the Smoot-Hawley tariff bill. This notwithstanding the fact that we raise only 32,000,000 turkeys in the United States each year, or one for every four of our people, according to his testimony, and notwithstanding that the New Deal has made it possible for us to have a double-header Thanksgiving Day each year. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. GILCHRIST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILCHRIST: Page 1, line 8, after the period insert a colon and add the following: "*Provided*, That no import concession shall be made or concluded by the Trade Agreement Committee after the date of the enactment of this resolution with respect to livestock or any livestock product or to any agricultural or dairy or poultry product if such commodity or product is below parity price as fixed and determined by the Secretary of Agriculture."

The CHAIRMAN. The gentleman from Iowa is recognized for one-half minute.

Mr. GILCHRIST. Mr. Chairman, I have a half a minute only. This amendment of mine is one for parity for farm products pure and simple. You folks on the Democratic side have agreed to give that to the farmers. Now is your chance. You will not do it, will you? You Members on the Democratic side cry out, No! No!

Very well, I will go home to Iowa and say that the Democratic side of the House said, "We will not do it." [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], is recognized to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 1, line 8, after the period, insert the following proviso: "*Provided*, That no trade agreement shall be entered into, under Public Law No. 316, Seventy-third Congress, with any foreign country if the currency (money) of such foreign country has been depreciated, in exchange for American dollars, more than 3 percent under the average rate prevailing for the calendar year 1934. *Provided, further*, That any trade agreement heretofore negotiated under section 350 of the Tariff Act of 1930, as amended by Public Law No. 316, Seventy-third Congress, shall be automatically suspended from its operation, if the currency (money) of any beneficiary foreign country under any trade agreement shall have been or is depreciated more than 3 percent under the average rate prevailing for the calendar year 1934, in exchange for American dollars."

The CHAIRMAN. The gentleman from Minnesota is recognized for one-half minute.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment——

Mr. DOUGHTON. Mr. Chairman, I make a point of order against the amendment.

Mr. AUGUST H. ANDRESEN. I am sorry the distinguished chairman makes the point now, because I have already started. The gentleman's point of order comes too late.

Mr. RAYBURN. I beg the gentleman's pardon.

Mr. AUGUST H. ANDRESEN. The Chair recognized me for one-half minute.

The CHAIRMAN. The Chair recognizes the gentleman for one-half minute for the fourth time. [Laughter.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to protect the American producers from depreciated foreign currency. This amendment should be adopted. You will find if it is not, or if the Secretary of State and the President do not adjust the difference between depreciated foreign currency and the American dollar, we are headed for a tail spin, the same as we took in 1932, except that it will be worse than it was at that time, and we will all be in it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were ayes 96 and noes 125.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Montana [Mr. THORKELSON], has an amendment pending. Does the gentleman care to have the amendment voted on? All time for debate is exhausted, the Chair will state to the gentleman from Wisconsin.

Mr. THORKELSON. I would like to speak on it.

The CHAIRMAN. The Chair is unable to recognize the gentleman for that purpose.

Mr. THORKELSON. Not even to speak on the Constitution of the United States?

The CHAIRMAN. Not under present circumstances.

Mr. THORKELSON. All right; I thank the Chair.

The CHAIRMAN. The gentleman from New York [Mr. HALL], has an amendment pending.

Mr. HALL. Mr. Chairman, I will withdraw my amendment in view of the scarcity of time.

Mr. WHITE of Idaho. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Idaho: Page 1, at the end of the paragraph, insert: "If at any time after passage of this act an established domestic industry as a whole shall be damaged as a result of the inclusion of its product in a reciprocal-trade agreement, the President shall institute negotiations with the signatory country seeking to withdraw or sufficiently modify the concession made upon that product to remedy the damage inflicted upon said established domestic industry."

Mr. WHITE of Idaho. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

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

There was no objection.

Mr. WHITE of Idaho. Mr. Chairman and members of the Committee, I have offered this amendment to perfect the law that this bill proposes to extend. We have protective provisions in the existing tariff laws—one, the antidumping clause, which gives the President the authority to prevent importations of products that will damage our industries under certain conditions. We also have a provision to safeguard

the market for domestic products from subsidized importations under the authority given the President to impose a countervailing duty, a provision of the tariff law which I have invoked to protect the pea-growing industry in my State of Idaho. This perfecting amendment will provide a safeguard for our industries under this law by providing a way "to withdraw or sufficiently modify the concession made upon the product to remedy the damage inflicted." If we are to achieve the objectives we seek to obtain by the administration's reciprocal trade agreements program, which is to enlarge foreign markets and secure prosperous business conditions in our domestic markets, we must safeguard our domestic industries from the destructive effects of foreign competition. When an established domestic industry is damaged by the loss of our home market as a result of importations under the concession made by these agreements, it is easy to see that a change must be made and that the condition must be corrected if the objective of our reciprocal program is to be obtained.

This amendment is designed to provide a plan to safeguard our industries. I am in accord with the trade-agreement program of Secretary Hull. In studying the tariff issue long before the advent of the present administration, I reached the conclusion that the solution of this problem was for the whole program of foreign imports and tariff regulations to be delegated to a nonpolitical, impartial, and qualified commission, established to take control of our tariff-making policy and constituted to take into consideration the best interests of our country as a whole, and work out a comprehensive program of tariff schedules designed to safeguard our national prosperity—a commission authorized to prepare and present to the Congress such a program for its approval and enactment into law. And now, with our State Department delegated the authority to do this very thing, it is my idea that the same check and balance that our Constitution provides for ratifying treaties and confirming Federal appointments by the Senate should be extended to these reciprocal-trade agreements.

Mr. Chairman, if we can have these perfecting amendments made to the existing law, I shall support this bill, but if this House fails to provide these safeguards, I shall have to withdraw my support and defer my approval until the safeguards I advocate as amendments are included in some subsequent measure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The amendment was rejected.

The CHAIRMAN. The gentleman from South Dakota [Mr. MUNDT] has an amendment pending at the desk. Does the gentleman care to have the amendment voted on?

Mr. MUNDT. Yes, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MUNDT: Strike out the final period and substitute a colon and the following words: "with the proviso that the authority conferred in the said act does not embrace authority to include in any trade-agreement negotiations manganese ore as defined and protected by paragraph 302, section (a), of schedule 3, title I, of the Tariff Act of 1930."

Mr. MUNDT. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Chairman, I shall be very brief in explaining my amendment to protect American manganese from further foreign competition and in urging your support for this logical effort to improve our own national defense.

Mr. Chairman, manganese tops the list as the No. 1 strategic war material essential to our national defense. It is necessary to our defense program that this manganese be produced domestically and that this country cease to be dependent upon other countries for this basic raw material. Primarily, it is only inadequate tariff protection for our domestic manganese which has prevented this country from becoming entirely self-sufficient in the matter of manganese production. The drastic 50-percent cut which the New Deal reciprocal-trade treaties have given to manganese, as an appeasement policy to the steel industrial barons, has definitely set back the date of American self-sufficiency in manganese.

My amendment will automatically stop any further decreases in tariff protection for American manganese. But it will do much more than that. Pass this amendment, my colleagues, and you will serve notice on President Roosevelt and Secretary Hull that it is the will and wish of Congress to provide decent protection for the producers of American manganese. You will notify the administration that it is our desire not only to prevent further reductions in manganese protection but to rebuild a protective tariff on it so that our domestic manganese deposits may be profitably developed.

In my home State of South Dakota we have some of the greatest manganese beds in the world. They could provide a tremendous asset in our national defense. But today they remain undeveloped. The cause for this lack of development of South Dakota's vast deposits of manganese is primarily the fact that the New Deal has deliberately cut in half the tariff on manganese when it should, as a matter of sound government and wise national defense, have increased that tariff protection. Other States, too, have manganese deposits which can be developed behind American tariff walls.

On March 2, 1934, President Roosevelt said in his message to Congress asking for power to make Executive trade agreements which the New Deal now tries to make sound more attractive by labeling them reciprocal-trade agreements, said:

> You and I know, too, that it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense, and that such interests cannot be sacrificed for passing advantage.

Judging from what has followed, the above was just another Rooseveltian promise gone wrong, but the logic of the President's statement remains sound today, even though his determination to carry it out has gone the way of all flesh and most administrative policies. On February 2, 1935, this same Executive authorized a 50-percent reduction in the duty on manganese. This has resulted in greatly increased imports from Brazil and Russia. This has given great aid to the Communists in Russia in securing money and resources with which to rape Finland, and it has played into the hands of American steel monopolists owning manganese mines in Brazil, but it has done nothing, surely, to help develop the great South Dakota manganese deposits or to strengthen our national defense by providing America with a self-sufficiency in manganese which is readily available.

Steel today is enjoying a tariff rate which is in reality a subsidy to the steel industry. A subsidy, if you please, paid in large part by the American farmers, who, instead of having a tariff rate which works as a subsidy, have their own tariff protection chopped away steadily and stealthily by the reciprocal-trade agreements. Restoration of the manganese duty, cut under the trade agreement, means only 7 cents added to the cost of an average ton of steel. It need result in no added charges on the cost of finished steel products. All that domestic manganese producers ask is treatment for manganese on a parity basis with steel products.

South Dakota can be depended upon to supply manganese ore in peacetime or wartime. South Dakotans will spend their returns from manganese purchases with American producers and manufacturers. South Dakota has manganese enough to supply the needs of America for years to come provided an American tariff policy is adopted and American capital is given a chance to produce manganese in an American commonwealth. Let us discontinue this subsidy of foreign nations and pass this amendment which will give protection to Americans at home.

I regret that the "gag" rule invoked by the Democratic leadership precludes adequate debate of this amendment. I hope you will adopt this important national-defense measure. I am gratified by assurance that the Republicans in the House will support it 100 percent. I urge you Democrats to put

patriotism above party in at least this one important instance and help us pass this amendment. Should it fail of passage here, I trust it will be added to any reciprocal-trade legislation which may pass the Senate following our disposition of this resolution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was rejected.

Mr. RISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RISK: Page 1, line 8, strike out the period, substitute a colon, and insert the following: *"Provided, however,* That no goods, whether subject to the provisions of any existing trade agreement between the United States and a foreign nation or hereafter entered into, shall be received for entry into the United States unless accompanied by a manifest which has affixed thereto a certificate by an American consul that the goods represented by such manifest have been produced in accordance with the provisions of sections 6, 7, and 12 of the Fair Labor Standards Act of 1938. (Public, No. 718, 75th Cong.)."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The question was taken; and on a division (demanded by Mr. RISK) there were—ayes 98, noes 122.

So the amendment was rejected.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Joint Resolution 407, to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, directed him to report the same back to the House with the recommendation that the resolution do pass.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the resolution to final passage.

The previous question was ordered.

The resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TREADWAY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. TREADWAY. To offer a motion to recommit which is at the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TREADWAY. I certainly am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

MOTION TO RECOMMIT

Mr. TREADWAY moves to recommit the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, to the Committee on Ways and Means, with instructions to report the same back to the House forthwith with the following amendment: Line 8, before the period, insert a colon and the following: *"Provided,* That no such foreign trade agreement concluded after the date of the enactment of this joint resolution shall take effect until it shall have been approved by the Congress by law: *Provided further,* That so much of said section 350 as suspends the application of section 516 (b) of the Tariff Act of 1930 (relating to appeal or protest by American producers) to any article with respect to which such foreign trade agreements have been concluded, or to any provisions of such foreign trade agreements, is hereby repealed: *Provided further,* That the authority conferred under said section 350 does not embrace authority to include in any trade agreement the excise taxes upon the importation of petroleum, coal, lumber, and copper imposed by subchapter B of chapter 29 of the Internal Revenue Code: *Provided further,* That no rate reduction shall be included in any foreign trade agreement which permits the entry into American markets of products of workers, farmers, or miners of foreign countries at total landed costs, all tariff duties paid, which total costs are less than the cost of production or wholesale selling price of competitive products of American workers, miners, or farmers where such American products are commercially available."

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TREADWAY. On that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 163, nays 222, answered "present" 3, not voting 37, as follows:

[Roll No. 30]

YEAS—163

Alexander	Engel	Kinzer	Routzohn
Allen, Ill.	Englebright	Knutson	Rutherford
Andersen, H. Carl	Fenton	Kunkel	Ryan
Anderson, Calif.	Fish	Lambertson	Sandager
Andresen, A. H.	Ford, Leland M.	Landis	Schafer, Wis.
Angell	Gamble	Leavy	Schiffler
Arends	Gartner	LeCompte	Scrugham
Austin	Gearhart	Lemke	Seccombe
Ball	Gerlach	Lewis, Ohio	Secrest
Bates, Mass.	Gifford	Luce	Seger
Bender	Gilchrist	McDowell	Shafer, Mich.
Blackney	Gillie	McLean	Short
Bolles	Graham	McLeod	Simpson
Bradley, Mich.	Grant, Ind.	Maas	Smith, Maine
Brewster	Gross	Marshall	Smith, Ohio
Brown, Ohio	Guyer, Kans.	Martin, Iowa	Smith, Wash.
Buckler, Minn.	Gwynne	Martin, Mass.	Springer
Burdick	Hall, Edwin A.	Mason	Stearns, N. H.
Cannon, Fla.	Hall, Leonard W.	Michener	Stefan
Carlson	Halleck	Miller	Sumner, Ill.
Carter	Hancock	Monkiewicz	Taber
Case, S. Dak.	Harness	Mott	Talle
Chiperfield	Harter, N. Y.	Mundt	Thill
Church	Hawks	Murray	Thorkelson
Clason	Hess	O'Brien	Tibbott
Clevenger	Hinshaw	O'Connor	Tinkham
Coffee, Nebr.	Hoffman	Oliver	Treadway
Cole, N. Y.	Holmes	Osmers	Van Zandt
Connery	Hope	Peterson, Fla.	Vorys, Ohio
Crawford	Horton	Pierce	Vreeland
Culkin	Hull	Pittenger	Wallgren
Curtis	Jenkins, Ohio	Plumley	Wheat
Dempsey	Jennings	Powers	White, Ohio
Dirksen	Jensen	Reece, Tenn.	Wigglesworth
Ditter	Johns	Reed, Ill.	Williams, Del.
Dondero	Johnson, Ill.	Reed, N. Y.	Winter
Douglas	Johnson, Ind.	Rees, Kans.	Wolfenden, Pa.
Dworshak	Jones, Ohio	Rich	Wolverton, N. J.
Eaton	Kean	Risk	Woodruff, Mich.
Elliott	Keefe	Rodgers, Pa.	Youngdahl
Elston	Kilburn	Rogers, Mass.	

NAYS—222

Allen, Pa.	D'Alesandro	Hook	Murdock, Ariz.
Anderson, Mo.	Darden	Houston	Murdock, Utah
Arnold	Davis	Hunter	Myers
Barden	Delaney	Izac	Norrell
Barnes	Dickstein	Jacobsen	O'Day
Barry	Dies	Jarman	O'Leary
Barton	Dingell	Johnson, Luther A.	O'Neal
Bates, Ky.	Disney	Johnson, Lyndon	O'Toole
Beam	Doughton	Johnson, W. Va.	Pace
Beckworth	Doxey	Jones, Tex.	Parsons
Bell	Duncan	Kee	Patman
Bland	Dunn	Kefauver	Patrick
Bloom	Durham	Keller	Patton
Boehne	Eberharter	Kennedy, Martin	Pearson
Boland	Edelstein	Kennedy, Md.	Peterson, Ga.
Boren	Edmiston	Kennedy, Michael	Pfeifer
Boykin	Ellis	Keogh	Poage
Bradley, Pa.	Evans	Kerr	Polk
Brooks	Faddis	Kilday	Rabaut
Brown, Ga.	Fay	Kirwan	Ramspeck
Bryson	Ferguson	Kitchens	Randolph
Buck	Fitzpatrick	Kleberg	Rankin
Bulwinkle	Flaherty	Kocialkowski	Rayburn
Burch	Flannagan	Kramer	Richards
Burgin	Flannery	Lanham	Robinson, Utah
Byrne, N. Y.	Ford, Miss.	Larrabee	Rogers, Okla.
Byrns, Tenn.	Ford, Thomas F.	Lea	Romjue
Byron	Fries	Lesinski	Sabath
Camp	Fulmer	Lewis, Colo.	Sacks
Cannon, Mo.	Garrett	Ludlow	Sasscer
Cartwright	Gathings	McAndrews	Satterfield
Casey, Mass.	Gavagan	McArdle	Schaefer, Ill.
Chapman	Geyer, Calif.	McCormack	Schuetz
Clark	Gibbs	McGehee	Schwert
Claypool	Gore	McGranery	Shanley
Cluett	Gossett	McKeough	Shannon
Cochran	Grant, Ala.	McLaughlin	Sheppard
Cole, Md.	Green	McMillan, Clara G.	Sheridan
Collins	Gregory	McMillan, John L.	Smith, Conn.
Colmer	Griffith	Maciejewski	Smith, Ill.
Cooley	Hare	Magnuson	Smith, Va.
Cooper	Harrington	Mahon	Smith, W. Va.
Costello	Hart	Marcantonio	Snyder
Courtney	Harter, Ohio	Martin, Ill.	Somers, N. Y.
Cox	Hartley	Massingale	South
Cravens	Havenner	May	Sparkman
Creal	Healey	Mills, Ark.	Spence
Crosser	Hennings	Mills, La.	Starnes, Ala.
Crowe	Hill	Mitchell	Sutphin
Cullen	Hobbs	Monroney	Sweeney

Tarver	Vincent, Ky.	Weaver	Williams, Mo.
Tenerowicz	Vinson, Ga.	Welch	Wood
Terry	Voorhis, Calif.	West	Woodrum, Va.
Thomas, Tex.	Walter	Whelchel	Zimmerman
Thomason	Ward	White, Idaho	
Tolan	Warren	Whittington	

ANSWERED "PRESENT"—3

Crowther Wadsworth Wolcott

NOT VOTING—37

Allen, La.	Drewry	Maloney	Rockefeller
Andrews	Fernandez	Mansfield	Schulte
Buckley, N. Y.	Folger	Merritt	Steagall
Caldwell	Gehrmann	Moser	Sullivan
Celler	Hendricks	Mouton	Sumners, Tex.
Coffee, Wash.	Jarrett	Nelson	Taylor
Corbett	Jeffries	Nichols	Thomas, N. J.
Cummings	Jenks, N. H.	Norton	
Darrow	Johnson, Okla.	Robertson	
DeRouen	Kelly	Robsion, Ky.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Jarrett (for) with Mr. Merritt (against).
Mr. Darrow (for) with Mr. Kelly (against).
Mr. Thomas of New Jersey (for) with Mr. Nelson (against).
Mr. Jenks of New Hampshire (for) with Mr. Drewry (against).
Mr. Caldwell (for) with Mr. Sullivan (against).
Mr. Gehrmann (for) with Mr. Schulte (against).
Mr. Wolcott (for) with Mr. Steagall (against).
Mr. Coffee of Washington ((for) with Mrs. Norton (against).
Mr. Rockefeller (for) with Mr. Mansfield (against).
Mr. Wadsworth (for) with Mr. Cummings (against).
Mr. Hendricks (for) with Mr. Moser (against).
Mr. Crowther (for) with Mr. Robertson (against).
Mr. Corbett (for) with Mr. Maloney (against).
Mr. Jeffries (for) with Mr. DeRouen (against).

General pairs:

Mr. Taylor with Mr. Andrews.
Mr. Sumners of Texas with Mr. Robsion of Kentucky.
Mr. Allen of Louisiana with Mr. Folger.
Mr. Fernandez with Mr. Nichols.
Mr. Johnson of Oklahoma with Mr. Celler.
Mr. Buckley of New York with Mr. Mouton.

Mr. WOLCOTT. Mr. Speaker, I voted "yea." The gentleman from Alabama, Mr. STEAGALL, had he been present, would have voted "nay." I withdraw my vote of "yea" and vote "present," as I have a pair with the gentleman from Alabama, Mr. STEAGALL.

Mr. WADSWORTH. Mr. Speaker, I am recorded in the affirmative. I have a pair with the gentleman from Colorado, Mr. CUMMINGS. Were he present, he would have voted "nay." In consideration of that pair, I ask to withdraw my vote and to be recorded as voting "present."

Mr. CROWTHER. Mr. Speaker, I have a pair with the gentleman from Virginia, Mr. ROBERTSON. If he were present, he would have voted "nay." I voted "yea." I therefore ask to withdraw my vote of "yea" and to be recorded as "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the resolution.

Mr. DOUGHTON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 168, answered "present" 3, not voting 36, as follows:

[Roll No. 31]

YEAS—218

Alexander	Bryson	Cooper	Eberharter
Allen, Pa.	Buck	Costello	Edelstein
Anderson, Mo.	Bulwinkle	Courtney	Ellis
Arnold	Burch	Cox	Evans
Barden	Burgin	Cravens	Faddis
Barnes	Byrne, N. Y.	Creal	Fay
Barry	Byrns, Tenn.	Crosser	Ferguson
Barton	Byron	Crowe	Fitzpatrick
Bates, Ky.	Camp	Cullen	Flaherty
Beam	Cannon, Mo.	D'Alesandro	Flannagan
Beckworth	Cartwright	Darden	Flannery
Bell	Casey, Mass.	Davis	Ford, Miss.
Bland	Chapman	Delaney	Ford, Thomas F.
Bloom	Clark	Dickstein	Fries
Boehne	Claypool	Dies	Fulmer
Boland	Cluett	Dingell	Garrett
Boren	Cochran	Doughton	Gathings
Boykin	Cole, Md.	Doxey	Gavagan
Bradley, Pa.	Collins	Duncan	Geyer, Calif.
Brooks	Colmer	Dunn	Gibbs
Brown, Ga.	Cooley	Durham	Gore
Gossett	Kleberg	O'Neal	Smith, Va.
Grant, Ala.	Kocialkowski	O'Toole	Smith, W. Va.
Gregory	Kramer	Pace	Snyder
Griffith	Lanham	Parsons	Somers, N. Y.
Hare	Larrabee	Patman	South
Harrington	Lea	Patrick	Sparkman
Hart	Lesinski	Patton	Spence
Harter, Ohio	Lewis, Colo.	Pearson	Starnes, Ala.
Hartley	Ludlow	Peterson, Ga.	Sumners, Tex.
Havenner	McAndrews	Pfeifer	Sutphin
Healey	McArdle	Poage	Sweeney
Hennings	McCormack	Polk	Tarver
Hill	McGehee	Rabaut	Tenerowicz
Hobbs	McGranery	Ramspeck	Terry
Hook	McKeough	Randolph	Thomas, Tex.
Houston	McLaughlin	Rankin	Thomason
Hunter	McMillan, Clara G.	Rayburn	Tolan
Izac	McMillan, John L.	Richards	Vincent, Ky.
Jacobsen	Maciejewski	Robinson, Utah	Vinson, Ga.
Jarman	Mahon	Rogers, Okla.	Voorhis, Calif.
Johnson, Luther A.	Marcantonio	Romjue	Walter
Johnson, Lyndon	Martin, Ill.	Sabath	Ward
Johnson, W. Va.	Massingale	Sacks	Warren
Jones, Tex.	May	Sasscer	Weaver
Kee	Mills, Ark.	Satterfield	Welch
Kefauver	Mills, La.	Schaefer, Ill.	West
Keller	Mitchell	Schuetz	Whelchel
Kennedy, Martin	Monroney	Schwert	Whittington
Kennedy, Md.	Murdock, Ariz.	Shanley	Williams, Mo.
Kennedy, Michael	Murdock, Utah	Shannon	Wood
Keogh	Myers	Sheppard	Woodrum, Va.
Kerr	Norrell	Sheridan	Zimmerman
Kirwan	O'Day	Smith, Conn.	
Kitchens	O'Leary	Smith, Ill.	

NAYS—168

Allen, Ill.	Engel	Kilday	Rogers, Mass.
Andersen, H. Carl	Englebright	Kinzer	Routzohn
Anderson, Calif.	Fenton	Knutson	Rutherford
Andresen, A. H.	Fish	Kunkel	Ryan
Angell	Ford, Leland M.	Lambertson	Sandager
Arends	Gamble	Landis	Schafer, Wis.
Austin	Gartner	Leavy	Schiffler
Ball	Gearhart	LeCompte	Scrugham
Bates, Mass.	Gerlach	Lemke	Seccombe
Bender	Gifford	Lewis, Ohio	Secrest
Blackney	Gilchrist	Luce	Seger
Bolles	Gillie	McDowell	Shafer, Mich.
Bradley, Mich.	Graham	McLean	Short
Brewster	Grant, Ind.	McLeod	Simpson
Brown, Ohio	Green	Maas	Smith, Maine
Buckler, Minn.	Gross	Magnuson	Smith, Ohio
Burdick	Guyer, Kans.	Marshall	Smith, Wash.
Cannon, Fla.	Gwynne	Martin, Iowa	Springer
Carlson	Hall, Edwin A.	Martin, Mass.	Stearns, N. H.
Carter	Hall, Leonard W.	Mason	Stefan
Case, S. Dak.	Halleck	Michener	Sumner, Ill.
Chiperfield	Hancock	Miller	Taber
Church	Harness	Monkiewicz	Talle
Clason	Harter, N. Y.	Mott	Thill
Clevenger	Hawks	Mundt	Thorkelson
Coffee, Nebr.	Hess	Murray	Tibbott
Cole, N. Y.	Hinshaw	O'Brien	Tinkham
Connery	Hoffman	O'Connor	Treadway
Crawford	Holmes	Oliver	Van Zandt
Culkin	Hope	Osmers	Vorys, Ohio
Curtis	Horton	Peterson, Fla.	Vreeland
Dempsey	Hull	Pierce	Wallgren
Dirksen	Jenkins, Ohio	Pittenger	Wheat
Disney	Jennings	Plumley	White, Idaho
Ditter	Jensen	Powers	White, Ohio
Dondero	Johns	Reece, Tenn.	Wigglesworth
Douglas	Johnson, Ill.	Reed, Ill.	Williams, Del.
Dworshak	Johnson, Ind.	Reed, N. Y.	Winter
Eaton	Jones, Ohio	Rees, Kans.	Wolfenden, Pa.
Edmiston	Kean	Rich	Wolverton, N. J.
Elliott	Keefe	Risk	Woodruff, Mich.
Elston	Kilburn	Rodgers, Pa.	Youngdahl

ANSWERED "PRESENT"—3

Hendricks Wadsworth Wolcott

NOT VOTING—36

Allen, La.	Darrow	Johnson, Okla.	Norton
Andrews	DeRouen	Kelly	Robertson
Buckley, N. Y.	Drewry	Maloney	Robsion, Ky.
Caldwell	Fernandez	Mansfield	Rockefeller
Celler	Folger	Merritt	Schulte
Coffee, Wash.	Gehrmann	Moser	Steagall
Corbett	Jarrett	Mouton	Sullivan
Crowther	Jeffries	Nelson	Taylor
Cummings	Jenks, N. H.	Nichols	Thomas, N. J.

So the joint resolution was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Merritt (for) with Mr. Jarrett (against).
Mr. Kelly (for) with Mr. Darrow (against).
Mr. Nelson (for) with Mr. Thomas of New Jersey (against).
Mr. Drewry (for) with Mr. Jenks of New Hampshire (against).
Mr. Sullivan (for) with Mr. Caldwell (against).
Mr. Schulte (for) with Mr. Gehrmann (against).
Mr. Steagall (for) with Mr. Wolcott (against).
Mr. Norton (for) with Mr. Coffee of Washington (against).

Mr. Mansfield (for) with Mr. Rockefeller (against).
Mr. Cummings (for) with Mr. Wadsworth (against).
Mr. Moser (for) with Mr. Hendricks (against).
Mr. Robertson (for) with Mr. Crowther (against).
Mr. Maloney (for) with Mr. Corbett (against).
Mr. DeRouen (for) with Mr. Jeffries (against).

General pairs:

Mr. Taylor with Mr. Andrews.
Mr. Allen of Louisiana with Mr. Folger.
Mr. Fernandez with Mr. Nichols.
Mr. Johnson of Oklahoma with Mr. Celler.
Mr. Buckley of New York with Mr. Mouton.

Mr. WADSWORTH. Mr. Speaker, in view of the announcement of the pairs, I ask that my vote in the negative be withdrawn from the record and that I be recorded as voting "present."

Mr. HENDRICKS. Mr. Speaker, I have a pair with the gentleman from Pennsylvania, Mr. MOSER. If he were present, he would vote "yea." I therefore withdraw my vote and vote "present."

Mr. WOLCOTT. Mr. Speaker, I have a pair with the gentleman from Alabama, Mr. STEAGALL. Were he present, he would have voted "yea." I voted "nay." For that reason, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENTS

Mr. LUDLOW. Mr. Speaker, my colleague from Indiana, Mr. SCHULTE, was unavoidably absent from the session of the House today. Had he been present, he would have voted against the motion to recommit and for the passage of the resolution.

Mr. SMITH of Washington. Mr. Speaker, I desire to announce that my colleague the gentleman from Washington, Mr. COFFEE, was unavoidably absent. Had he been present, he would have voted "yea" on the motion to recommit and "nay" on the final passage of the bill.

Mr. McKEOUGH. Mr. Speaker, I desire to announce that my colleague, the gentleman from Illinois, Mr. KELLY, is unavoidably absent because of being called home to Chicago yesterday. Had he been present, he would have voted "nay" on the motion to recommit and "yea" on the passage of the bill.

EXTENSION OF REMARKS

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial in the Philadelphia Record of February 22.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial appearing recently in the Boston Post.

The SPEAKER. Is there objection to the request of the gentleman from Massachusets?

There was no objection.

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial appearing in the Buffalo Courier.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the Honorable James A. Farley.

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

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement I made before the Committee on Interstate and Foreign Commerce regarding the proposed oil regulation bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MACIEJEWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Chicago Daily Times.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some excerpts from the Business Survey of Indiana University.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RANKIN asked and was given permission to extend his own remarks in the RECORD.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein the legislative program of the National Grange.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the San Francisco Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made in the Committee of the Whole and to include certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial and certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GERLACH asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article by Mr. H. E. Spangler, of Cedar Rapids, Iowa.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by a former member of the House, Mr. Pettengill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BUCK. Mr. Speaker, I ask unanimous consent in connection with an extension of my remarks made this afternoon to include certain excerpts from the lobby investigation of 1929 and certain other extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by Mr. James M. Duffy, at the Columbus, Ohio, town meeting.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article from the Minnesota League of Women Voters regarding

the benefits to Minnesota from the reciprocal-trade agreements, and also to include a telegram from the president of the American Farm Bureau Federation.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks to include certain tables from the Department of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole House on the state of the Union and to include certain excerpts and statistical data from the hearings.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a recent speech of Mr. Stacy B. D. Belden, secretary of the Delaware County, N. Y., Taxpayers Association and editor of the Dairyman Press, of Franklin, N. Y.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two different amendments, remarks made in the Committee of the Whole House on the state of the Union, and to include certain quotations and short statistical abstracts.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech given by my colleague the gentleman from New York [Mr. BARTON] in Buffalo, N. Y., on Lincoln.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNYDER. Mr. Speaker, due to the lateness of the hour I ask unanimous consent that my special order for today to address the House for 30 minutes may be changed to Monday next.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. O'BRIEN, for 4 days, on account of official business.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 6 minutes p. m.) the House (in accordance with its previous order) adjourned until Monday, February 26, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting on Monday, February 26, 1940, at 10 a. m., before the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce. Industry will be heard.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matters named:

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools, and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

COMMITTEE ON ROADS

The Committee on Roads will resume hearings at 10 a m. Monday, February 26, 1940, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON THE CENSUS

Beginning Tuesday, February 27, 1940, the Committee on the Census will hold hearings at 10 a. m. in room 213, House Office Building, on the reapportionment of Representatives in Congress.

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will hold hearings Tuesday, February 27, 1940, at 9:30 a. m. Bills to be considered, H. R. 6116 and H. R. 8498.

COMMITTEE ON FOREIGN AFFAIRS

There will be a hearing Tuesday, February 27, 1940, at 10 a. m., before the Committee on Foreign Affairs on House Joint Resolution 412, House Joint Resolution 430, and House Joint Resolution 436, for the relief of the distressed and starving women and children of Poland.

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet at 10:30 a. m., Wednesday, February 28, 1940, for consideration of House Joint Resolution 428 and House Joint Resolution 429, to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 28, 1940, at 10 a. m. there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COX: Committee on Rules. House Resolution 388. Resolution providing for the consideration of H. R. 6324, to provide for the more expeditious settlement of disputes with the United States, and for other purposes; without amendment (Rept. No. 1664). Referred to the House Calendar.

Mr. WARREN: Committee on Accounts. House Resolution 387. Resolution authorizing an additional appropriation for the special committee authorized under House Resolution 258 of the Seventy-sixth Congress (Rept. No. 1665). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Accounts. House Resolution 389. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives, and for other purposes (Rept. No. 1666). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 6505. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (Rept. No. 1667). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 8399. A bill to prohibit the receipt, possession, or disposition of money or property feloniously taken from a bank organized or operating under the laws of the United States or any member of the Federal Reserve System; without amendment (Rept. No. 1668). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7265. A bill to amend the District of Columbia Unemployment Compensation Act; with amendment (Rept. No. 1669). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMS of Missouri: Committee on Banking and Currency. S. 3069. An act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes; with amendment (Rept. No. 1670). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 206. Joint resolution creating a joint committee to arrange for the celebration of the sesquicentennial anniversary of the signing of the first United States patent law; with amendment (Rept. No. 1671). 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. LESINSKI: Committee on Immigration and Naturalization. H. R. 8292. A bill for the relief of Erich Hecht, Grete J. L. Hecht, and Erich F. Hecht, Jr.; without amendment (Rept. No. 1659). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 5108. A bill for the relief of Jesse A. Lott; without amendment (Rept. No. 1660). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 5336. A bill for the relief of Peter Bavisotto; with amendment (Rept. No. 1661). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 7337. A bill for the relief of Harriet T. Johnston; with amendment (Rept. No. 1662). Referred to the Committee of the Whole House.

Mr. GAVAGAN: Committee on War Claims. H. R. 7072. A bill for the relief of Esther Ross; without amendment (Rept. No. 1663). Referred to the Committee of the Whole House.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6631. By Mr. BALL: Petition of sundry citizens of Willimantic, Conn., favoring legislation for the relief of Polish war sufferers; to the Committee on Foreign Affairs.

6632. Also, petition of Polish societies of the Second Congressional District of Connecticut, favoring the relief of Polish war sufferers; to the Committee on Foreign Affairs.

6633. By Mr. THOMAS F. FORD: Statement of the Dried Fruit Association of California, in support of the Reciprocal Trade Agreements Act, asserting their belief that these trade agreements had been of inestimable value in sustaining the position of their industry in the export markets, particularly as compared with the situation they would have faced in a continued retaliatory trade restrictive battle with other nations; to the Committee on Foreign Affairs.

6634. By Mr. HART: Petition of the conference of the representatives of the colleges of New Jersey, participating in the student-aid program of the National Youth Administration, opposing the proposed appropriation for the National Youth Administration contained in the 1940–41 Budget, and favoring an appropriation of at least the amount available during the current year; to the Committee on Appropriations.

6635. Also, petition of the American Legion, department of New Jersey, Trenton, N. J., urging that appropriate legislation be enacted, or that the Secretary of War be induced to initiate and support measures necessary and proper, to effectuate the Federal recognition of the First Battalion, New Jersey Guard; to the Committee on Appropriations.

6636. By Mr. LUTHER A. JOHNSON: Petition of the Corsicana Typographical Union, of Corsicana, Tex., by C. B. Haley, president, and E. L. Travis, secretary-treasurer, opposing the Neely bill; to the Committee on Interstate and Foreign Commerce.

6637. Also, petition of D. R. Newman, of Waxahachie, Tex., favoring the Neely bill; to the Committee on Interstate and Foreign Commerce.

6638. By Mr. MICHAEL J. KENNEDY: Petition of the Warehousemen's Association of the Port of New York, comprising the water-front and inland merchandise warehouses, in opposition to any further reduction in the quota of cane sugar to be permitted entry into the United States; to the Committee on Foreign Affairs.

6639. By Mr. KEOGH: Petition of Joseph A. Wynn Post, No. 260, Veterans of Foreign Wars of the United States, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn sugar-refinery workers; to the Committee on Foreign Affairs.

6640. By Mr. SCHIFFLER: Petition of Dr. Will F. Crow, secretary, and Clarence F. Lutes, chairman, Citizens Organization of Glen Easton, W. Va., lamenting the passing of the late Senator William Edgar Borah and extending sympathy to his widow, Mrs. Borah; to the Committee on Memorials.

6641. By the SPEAKER: Petition of the City-Wide Tenants Council, New York City, petitioning consideration of their resolution with reference to low-rent housing for the west side of Manhattan; to the Committee on Banking and Currency.

6642. Also, petition of the Associated General Contractors of America, Inc., Washington, D. C., requesting consideration of their resolution with reference to Work Projects Administration, restrictions, inheritance taxes, extension of Public Works Administration program of hospitals, sewers, and water supply—utilizing Public Works Administration Federal aid for highways, Public Buildings Administration program; to the Committee on Ways and Means.

6643. By Mr. BOLLES: Petition of sundry citizens of Racine, Wis., protesting against Senate bill 2420, the Federal mine inspection bill, known as the Neely-Keller bill; to the Committee on Mines and Mining.

6644. By Mr. ENGLEBRIGHT: Senate Joint Resolution No. 2, relative to discrimination in steamship service and freight rates between New York and California ports to the Panama Canal Zone; to the Committee on Interstate and Foreign Commerce.

6645. Also, assembly joint resolution No. 14, relative to the continuance of Japanese beetle suppression under Federal auspices; to the Committee on Agriculture.

6646. By Mr. HALLECK: Petition of sundry citizens of Otterbein, Ind., urging early enactment of legislation providing for an excise tax on retail stores; to the Committee on Ways and Means.

6647. By Mr. MARTIN J. KENNEDY: Petition of the New York State Association of Letter Carriers, Newark, N. Y., urging support of the Rogers court of appeals bill (H. R. 2569); to the Committee on the Civil Service.

6648. Also, petition of the New York State Association of Letter Carriers, Newark, N. Y., urging support of the Keogh longevity bill (H. R. 991); to the Committee on the Civil Service.

6649. Also, petition of the American Legion Auxiliary Unit of the Private Chauffeurs of New York, Post No. 1179, New York City, urging support of the American Legion's five-point program; to the Committee on Foreign Affairs.

6650. By Mr. KRAMER: Resolution of the General Welfare Federation of Southern California, relative to House bill 5620, etc.; to the Committee on Ways and Means.

6651. Also, resolution of the Associated General Contractors of America, Inc., relative to recommending extension of Public Works Administration; to the Committee on Appropriations.

6652. Also, resolution of the Associated General Contractors of America, Inc., relative to Federal aid for highways; to the Committee on Appropriations.

6653. Also, resolution of the Associated General Contractors of America, Inc., relative to program of hospitals, sewers, and water supply—utilizing Public Works Administration; to the Committee on Appropriations.

6654. Also, resolution of the Associated General Contractors of America, Inc., relative to Public Buildings Administration program; to the Committee on Appropriations.

6655. Also, resolution of the Associated General Contractors of America, Inc., relative to inheritance taxes; to the Committee on Ways and Means.

6656. Also, resolution of the Associated General Contractors in regard to Works Progress Administration restrictions; to the Committee on Appropriations.

6657. By Mr. MERRITT: Resolution of the Bindery Women's Union, Local 66, International Brotherhood of Bookbinders, American Federation of Labor, New York City, urging the Congress to support the equal rights amendment to the Constitution in an effort to bring it to a vote at the present session of Congress; to the Committee on the Judiciary.

6658. By Mr. PLUMLEY: Resolution of the Burlington Unit, Unitarian Fellowship for Social Justice, seeking investigation of the activities and possible Fascist connections of the Reverend Charles E. Coughlin, of Detroit; to the Committee on Rules.

6659. By Mr. PFEIFER: Petition of the Joseph A. Wynn Post, No. 260, Veterans of Foreign Wars, Brooklyn, N. Y., opposing the importation of refined sugar from the tropics; to the Committee on Foreign Affairs.

6660. By Mr. SCHWERT: Resolution of the Citizens Committee of Buffalo and vicinity that substantial financial aid be given to the Republic of Poland; to the Committee on Foreign Affairs.

6661. By Mr. SPRINGER: Resolution of the Steel Workers Organizing Committee lodges of the Indianapolis district in convention assembled on February 18, 1940, urging that the President of the United States call a conference of leaders in labor, agriculture, industry, and Government to work out a plan to establish prosperity and end unemployment; to the Committee on Labor.

6662. Also, resolution of the Steel Workers Organizing Committee lodges in the Indianapolis district, favoring the slogan "The Yanks are not coming," and urging a public attitude against participation in any war, except the war against poverty and unemployment in our own country; to the Committee on Military Affairs.

6663. By Mr. WIGGLESWORTH: Petition of the members of Local No. 21455, Atlantic Fishermen's Union, Boston, Mass., urging a congressional investigation of the fishing industry; to the Committee on Merchant Marine and Fisheries.

SENATE

MONDAY, FEBRUARY 26, 1940

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou who dost sustain man's spirit by an undying hope, satisfy us early with Thy mercy, for we would come to Thee while the day is young and life is full; we would choose Thee with all the kingdoms of the world before us and in preference to all the treasures of knowledge or the pleasures of sin. Do Thou quicken in us this true resolve, and hearken to the prayers of our hearts, which come in highest moments when we think not of ourselves but only of Thee.

Throughout this day do not Thou forget us nor release the hidden thread that binds us to our duties and our tasks. Help us with pure hearts and minds to live so honestly and fearlessly that no outward failure can dishearten us or take away the joy of conscious integrity. So may we strive in all things to render loyal service to our country and to Thee, our God, who art ever calling us to be followers of Him whose cross will one day win the world, even Jesus Christ Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 22, 1940, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (S. 2103) to exempt certain Indians and Indian tribes from the provisions of the act of June 18, 1934 (48 Stat. 984), as amended.

The message announced that the House had passed a bill (S. 643) authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8068) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1941, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LUDLOW, Mr. O'NEAL, Mr. JOHNSON of West Virginia, Mr. MAHON, Mr. CASEY of Massachusetts, Mr. TABER, Mr.