

Service, to rank as such from the dates set opposite their names:

Mason V. Hargett, February 16, 1934.

Cassius J. Van Slyke, March 3, 1934.

Erwin W. Blatter, April 4, 1934.

Russell Thomas, April 6, 1934.

The above-named officers have passed the examination required by law and the regulations of the Service.

PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. John Marston to be a lieutenant colonel in the Marine Corps from the 20th day of March 1934.

Capt. William B. Croka to be a major in the Marine Corps from the 20th day of March 1934.

First Lt. George L. Hollett to be a captain in the Marine Corps from the 12th day of March 1934.

First Lt. Herbert S. Keimling to be a captain in the Marine Corps from the 20th day of March 1934.

Second Lt. Frank H. Wirsig to be a first lieutenant in the Marine Corps from the 12th day of March 1934.

Second Lt. John S. Letcher to be a first lieutenant in the Marine Corps from the 20th day of March 1934.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 23, 1934

The House met at 12 o'clock noon.

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

Infinite and eternal God, Thou who didst call the universe into being, ordered its forces, and started its creations, bear with our infirmities. As Thou art the source of all wisdom, the inspiration of all good thoughts and noble endeavor, nurture in us willing minds and understanding hearts. We praise Thee that it is Thy goodness that calls us to rejoice rather than to complain, to accept humbly and to use righteously Thy unspeakable blessings; lift us, gracious Lord, to that high level from which our hearts shall move irresistibly toward righteousness. O God, grant that we may never be caught in the uncontrolled eddies of unrighteousness. Almighty God, expand and enrich our national ideals, direct our country in the solution of its unsolved problems, and dispel all earth-born clouds wherever they cast a shadow. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, without amendment, a bill of the House of the following title:

H.R. 8573. An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes.

EXPORTATION OF AGRICULTURAL PRODUCTS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk House Joint Resolution 207, requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products, with Senate amendments, and concur in the Senate amendments.

May I say that this has been considered by the Committee on Merchant Marine, Radio, and Fisheries.

The Clerk read the title of the bill with the following Senate amendments:

Line 4, after "Corporation", insert "or any other instrumentality of the Government."

Line 5, after "agricultural", insert "or other."

Line 8, strike out "United States Shipping Board" and insert "Shipping Board Bureau."

Line 9, after "Corporation", insert "or other instrumentality of the Government."

Amend the title so as to read: "Joint resolution requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products."

Mr. SNELL. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from New York.

Mr. SNELL. As I understand from the gentleman's statement, these amendments are entirely agreeable to the gentleman from New Jersey [Mr. LEHLBACH] and the other members of the minority on the committee?

Mr. BLAND. At a meeting that was held, at which a quorum was present, Mr. LEHLBACH, Mr. GIFFORD, and Mr. EDMONDS were there, and possibly some other members, but I remember distinctly these three gentlemen were present and voted to concur in the amendments.

Mr. SNELL. It is a unanimous report?

Mr. BLAND. It is a unanimous report.

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

There was no objection.

The Senate amendments were agreed to.

SETTLEMENT FOR PROFESSIONAL SERVICES

Mr. BOYLAN. Mr. Speaker, by direction of the Chairman of the Committee on Claims, I ask unanimous consent to take from the Speaker's table the bill (H.R. 257) to authorize full settlement for professional services rendered to an officer of the United States Army, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill, with the following Senate amendments:

Line 3, strike out "Secretary of War" and insert "Secretary of the Treasury."

Lines 5 and 6, strike out "the appropriation 'Medical and Hospital Department, 1929'", and insert "any money in the Treasury not otherwise appropriated."

Mr. SNELL. Will the gentleman yield?

Mr. BOYLAN. I yield to the gentleman from New York.

Mr. SNELL. Will the gentleman explain what this bill is and where it came from?

Mr. BOYLAN. This is a bill that we passed for the relief of a major in the Regular Army who was suffering from a rare disease which incapacitated him from active service. After being treated in all the Army hospitals, including the Walter Reed Hospital, with the permission of the War Department he underwent an operation at the hands of a private surgeon which cost \$1,000. The result of this operation was to restore his usual health, and he is now in active service performing his duties.

Mr. SNELL. This is a claims bill that has been considered by the Senate?

Mr. BOYLAN. Yes; and it has come back with a Senate amendment.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this involves the payment of \$1,000 to an outside surgeon for this private operation?

Mr. BOYLAN. Yes.

Mr. BLANTON. Does it involve anything else?

Mr. BOYLAN. No. That is all.

Mr. BLANTON. What did the Senate do with the bill? Did they enlarge upon the matter?

Mr. BOYLAN. No. The bill provided that this was to be paid out of the hospital allowance for the year 1929.

Mr. BLANTON. It is immaterial which fund this comes out of, because, after all, it comes out of the Treasury of the United States.

Mr. BOYLAN. Exactly, but the Senate saw fit to amend the bill in that respect.

Mr. BLANTON. It does not affect the rights of any other person except the one officer?

Mr. BOYLAN. Absolutely no one else.

Mr. SNELL. There is no precedent established by this bill?

Mr. BOYLAN. No, indeed; in fact, I may say that the bill was approved by the War Department, which is very unusual.

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

There was no objection.

The Senate amendments were agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAY. Mr. Speaker, I ask unanimous consent that immediately following the completion of the business on the Speaker's desk tomorrow morning I may be permitted to address the House for 10 minutes.

Mr. GOSS. Are we going to be in session tomorrow?

Mr. BYRNS. Yes.

Mr. MAPES. Mr. Speaker, reserving the right to object, I think the House should know what the gentleman is going to talk about.

Mr. MAY. I expect to talk about one of two things. I shall talk about cotton and tobacco or I shall present to the House a few remarks on the subject of a bill which I introduced at the last session of the Congress providing for subsistence homesteads.

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

Mr. DOUGHTON. Mr. Speaker, I object.

Mr. BANKHEAD. Mr. Speaker, I do not often make a point of no quorum, but the gentleman from North Carolina [Mr. WARREN] desires to make a statement about a controversial matter in which all Members are interested. I think the gentleman is entitled to have a quorum present to hear him, and I make the point of order, Mr. Speaker, there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

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

A call of the House was ordered.

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

[Roll No. 115]

Abernethy	De Priest	Kurtz	Schulte
Adair	Dickstein	Kvale	Shannon
Adams	Dingell	Lamneck	Shoemaker
Allen	Dirksen	Lanzetta	Simpson
Allgood	Disney	Lehlbach	Sirovich
Auf der Heide	Doutrich	Lehr	Sisson
Ayers, Mont.	Duffey	Lesinski	Snyder
Beam	Eagle	Lewis, Md.	Steagall
Beedy	Ellenbogen	Lozier	Stokes
Berlin	Englebright	McClintic	Strong, Tex.
Black	Fitzgibbons	McDuffie	Sullivan
Boehne	Foulkes	McKeown	Thomas
Britten	Frear	McMillan	Truax
Brooks	Gasque	Montague	Turpin
Browning	Gillespie	Norton	Underwood
Brumm	Goldsborough	Oliver, N.Y.	Utterback
Buckbee	Greenway	Palmisano	Waldron
Cannon, Wis.	Greenwood	Perkins	Walter
Carley	Guyer	Peyser	Weaver
Chapman	Hamilton	Pou	White
Church	Hancock, N.C.	Rayburn	Williams
Claiborne	Imhoff	Reed, N.Y.	Wood, Ga.
Clarke, N.Y.	Kelly, Pa.	Reid, Ill.	Wood, Mo.
Crowther	Kennedy, N.Y.	Richardson	Woodrum
Culkin	Kenny	Sadowski	Young

The SPEAKER. Three hundred and thirty-one Members have answered to their names; a quorum is present.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

The SPEAKER. Under the special order of the House, the gentleman from North Carolina [Mr. WARREN] is recognized for 15 minutes.

Mr. WARREN. Mr. Speaker, the Committee on Accounts is one of the oldest committees of the House. It has supervision and control over the contingent fund and all House expenditures. Its work is always arduous and at times most disagreeable and unpleasant. It is the "no" committee of the House.

For 10 years I have been a member of this committee. During no part of this time have I ever seen the slightest partisanship exhibited in the committee. We are practically always unanimous on every question, and I here and now wish to pay full tribute to the members of the committee for their splendid support.

In the natural course of things, when the Democratic Party came into power, I became chairman of the committee, and the same conditions existing there when I was

in the minority to a large extent now exist. We think we have made a record of achievement. We do not come up here on the floor of the House and prate about it, but it is sufficient to say that we have saved the taxpayers of this Nation thousands and thousands of dollars by careful scrutiny and investigation of the matters that come before us.

Among its many duties, the committee has jurisdiction over the House restaurant. On June 2, 1921, 4 years before I entered Congress, Mr. Clifford Ireland, Republican chairman of the Committee, from the State of Illinois, introduced a resolution in the House, which was unanimously passed, placing the House restaurant under the Committee on Accounts. Prior to this time it had been operated as a very unsatisfactory concession. For the last 12 fiscal years this restaurant has been operated at an average net annual deficit of \$25,961.72. There are many reasons why there should be a loss. The entire set-up is practically for one meal, and naturally the overhead expenses are large. Since April 15, 1933, and up to this hour, we have operated this restaurant without a loss and with a profit of approximately \$50. [Applause.]

In testifying before the Appropriations Committee, I said the following:

To summarize, we have been able to make this record with the House restaurant since April 15, 1933, by putting into effect many economies, by strict supervision over buying and expenditures, by an almost perfect checking system which has been finely reflected in our receipts, by elimination of much waste, and by the fine work of the restaurant staff under its capable manager, Mr. P. H. Johnson.

I ask unanimous consent, Mr. Speaker, that I may insert in my remarks this record of operation for the last 12 fiscal years.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

Statement of expenditures from the contingent fund, miscellaneous items, and repayments thereto, on account of House restaurant since operated under the supervision of the Committee on Accounts

Fiscal years	Expenditures		Refunds	
	Pay rolls	Equipment and other expenses	Amount	Date deposited
1922	\$20,307.57	\$19,887.38		
1923	25,618.98	4,235.86	\$891.72	July 14, 1922
1924	25,855.58		1,689.83	Mar. 15, 1923
1925	13,780.72		203.09	Mar. 27, 1924
1926	27,388.05	570.00	2,505.29	Aug. 4, 1924
1927	16,514.90	2,826.33	4,000.00	July 8, 1927
1928	24,614.28	2,846.12	1,200.00	June 6, 1928
1929	27,765.08			
1930	27,563.61	3,071.92		
1931	21,659.59			
1932	30,319.94		4,000.00	June 1932
1933	32,204.75		1,000.00	July 1932
Total	293,593.05	33,437.61	15,489.33	

¹ Pay rolls for the month of June 1930, totaling \$3,615 paid from proceeds of House restaurant. Not included in above figures.

² House restaurant had on hand \$8,807.22 after paying outstanding debts incurred during fiscal year 1933. Taking this figure into consideration, also the \$1,000 refunded in July 1932, the actual net expenditure necessary to operate the House restaurant for the fiscal year 1933 would amount to \$22,397.53. This would reduce the average per fiscal year to \$25,227.79.

Total pay rolls	\$293,593.05
Total equipment	33,437.61
Gross expenditure	327,030.66
Less refunds	15,489.93
Net expenditure	311,540.73

Average per fiscal year for 12 complete fiscal years..... 25,961.72

Mr. WARREN. I wish again to state, and for the RECORD to show, that up to this hour, since April 15, 1933, the restaurant has been operated without a deficit and not one penny has been drawn from the appropriations made by the Congress for it.

Mr. TREADWAY. Will the gentleman yield?

Mr. WARREN. Not right now; I will yield later.

When this restaurant was established, in 1921, under the chairmanship of Mr. Clifford Ireland, Republican Representative from Illinois, he opened a place in the basement for the serving of colored employees and visitors. Mind you, this was 4 years before I entered this body. This was continued under Mr. Clarence MacGregor, Republican Chairman of the Committee on Accounts, from New York, and it was continued by Mr. Charles L. Underhill, Republican Chairman of the Committee on Accounts, from Massachusetts, and has been continued by me. In this place we give the same service, the same food as we do upstairs, and the same cleanly surroundings prevail. The prices there are slightly lower.

I have made no rule. I am carrying out the policies and rules that have been in force ever since this restaurant was established, and before I came here.

A speech was made on this floor 2 days ago in which the authority of the Chairman of the Committee on Accounts was challenged, and insinuations were made that some of the information came from members of the committee.

I read to the House the minutes of the organization meeting of the Committee on Accounts for the Seventy-third Congress, held on March 23, 1933:

Mr. WOLFENDEN, Republican from Pennsylvania, offered the following resolution:

"That the chairman be authorized to report out all death resolutions without a meeting of the committee, and that the chairman be empowered to use his own discretion in dealing with Members in regard to telegraph, telephone, and all other matters which properly come under the jurisdiction of the Committee on Accounts, including the management of the House restaurant and all rules and regulations pertaining to the same."

That resolution was seconded by Mr. McLEAN, Republican, of New Jersey, and by Mr. ALLEN, Republican, of Illinois, and was unanimously passed by the committee.

The identical resolution was offered by Mr. Underhill, of Massachusetts, at the organization of the Committee on Accounts at its first meeting, December 19, 1931.

I have traced that resolution, ladies and gentlemen of the House, from this date back to 1921, under the chairmanship of Mr. Ireland, and find that it had the identical wording, and in every instance was offered by the ranking minority member of the committee.

There is a petition on the desk to discharge the Rules Committee, and have an investigation. There [pointing to the minute book] is the authority that I have acted under, there is what the petition seeks to find out, and they could have found out that at any time.

Something was said that I initiated this thing, and that it had been going on for some time. The first knowledge of any violation of the rules that ever came to me during my chairmanship of the committee was, I think, about January 20. I would have despised myself had I not met it and accepted the responsibility that had been placed on me by this House and by the committee. [Applause.]

Again, not one single member of the Committee on Accounts, either in private or in meeting, has ever presented this matter to me or challenged anything I have done in regard to it. If I am wrong, I pause to hear anyone challenge that statement.

I believe that I am as free from racial and religious intolerance as any man in this House. In my State the races live together side by side; probably about 30 percent of our population are colored, and we are getting along in peace and harmony. This amicable relationship and understanding is reflected in the notable progress of North Carolina.

My time is going on, and I shall not discuss some of the recent happenings. I shall not dwell on the fact that I have received 50 or more letters from the First Congressional District of Illinois, from colored citizens, telling me the motive behind this thing.

One day last week a lot of Communists came down to see us. Another day they described themselves as Socialists; another day a demonstration was made by those who claimed to be representatives of the International Labor Defense. Finally, on last Saturday, the supreme outrage occurred, when a mob of toughs and hoodlums from Howard University came down and almost precipitated a riot.

That very morning a respectable colored citizen called up the authorities of that university and pleaded that these students be not permitted to come here, but it went unheeded.

Every paper in this town the day before carried full notice, with blazing headlines, that it was going to be done. Filth, vulgarity, and profanity rang out through the corridors down there. The police told me that never in their lives had they ever taken such insults.

Three splendid ladies pushed their way out of the restaurant into that mob, came to my office, and told me that they would never put their foot in there again on account of the vile and horrible language that had been used in their presence.

A feeble effort was made 2 days ago expressing disapproval of those actions. There was one man who could have stopped it. He did not because he did not want to do it. By reasons of these demonstrations our records show that for the last 10 days the restaurant has lost considerable money, while prior to that we were making some money every day.

I hope, Mr. Speaker, that I have calmly and dispassionately given a recital of the facts and the truth in this matter. Personally, it is a matter of utter indifference to me. I am opposed to any change in the present conduct of the restaurant, but otherwise I do not care. I am always ready to meet, and to meet squarely, any issue that ever arises here in this body, but it is entirely up to the Members of the House to settle this whole thing according to both their desires and their tastes. [Applause.]

THE AIR MAIL

Mr. ROMJUE. Mr. Speaker, I present a conference report on the bill (H.R. 7966) to authorize the Postmaster General to accept and to use landing fields, men, and material of the War Department for carrying the mails by air, and for other purposes, for printing under the rule.

RECIPROCAL TRADE AGREEMENT

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 consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930. Pending that I ask unanimous consent that debate upon the bill be limited to 22 hours, one half to be controlled by the gentleman from Massachusetts [Mr. TREADWAY] and one half by myself, and that debate be confined to the bill.

The SPEAKER. The gentleman from North Carolina moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 8687. Pending that he asks unanimous consent that debate upon the bill be limited to 22 hours, one half to be controlled by himself and one half to be controlled by the gentleman from Massachusetts [Mr. TREADWAY], and that debate be confined to the bill. Is there objection?

Mr. TREADWAY. Mr. Speaker, I reserve the right to object, to say on behalf of the minority members of the committee that the suggestion of the chairman of the committee in respect to the time for debate is entirely agreeable to us.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from North Carolina that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 8687.

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 consideration of the bill H.R. 8687, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Chairman and members of the Committee, the bill now under consideration, H.R. 8687, is in my judgment one of the most important parts of the President's recovery program, and will materially assist in restoring prosperity and setting the wheels of industry turning again.

The purposes sought to be attained by its enactment are clearly set forth in the first few lines of the bill, as follows:

For the purpose of expanding foreign markets for the products of the United States as a means of assisting in restoring the American standard of living; in overcoming domestic unemployment and the present economic depression; in increasing the purchasing power of the American public in the present emergency, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce.

This legislation is an emergency measure to meet a great emergency. The people of this country will vividly recall—in fact, will never forget—the tragic conditions prevailing at the time of President Roosevelt's inauguration on March 4, 1933. At that time the country was on the brink of absolute economic ruin. Millions of our people were out of employment and walking the highways, the streets, and sidewalks of our cities and industrial centers, vainly seeking employment to provide the barest necessities of life to sustain them and their families.

Banks were closing daily in every section of the land. In some States they were all closed by the State authorities, impounding the life savings of many of our people, and tying up the meager bank deposits which were the very lifeblood of agriculture, industry, and commerce.

Starvation and destitution were lurking in every nook and corner of our country. Fear in the minds of the people, coupled with a lack of leadership, increased and accentuated the unparalleled conditions of distress existing throughout the land. Farmers were being forced to dispose of their crops at ruinous prices, far below the cost of production, and millions of farms and homes, both rural and urban, were being lost through foreclosures or lack of ability to pay taxes. Such was the condition and the picture of despair constantly in the thoughts of the American people. The economic conditions existing at that time had no parallel in our country. President Hoover described it in his Cleveland speech in 1930 as an economic pestilence, and in his speech of acceptance in 1932 as a calamity unparalleled in the history of our country.

Under the leadership of President Roosevelt and during this emergency, the Congress has placed in the hands of the President broad discretionary authority, affecting the internal and domestic business affairs of the country.

We are all familiar with the character of powers that have been delegated to the President, who for the past year has been chiefly confining his efforts to the betterment of our domestic problems. Under the exercise of those powers we have seen our banking institutions again placed on a sound and substantial foundation; we have seen the price of agricultural commodities steadily increase, and in some cases doubled; we have seen our industries resume production of those articles and commodities to which our people, and the peoples of the world, have been accustomed; we have witnessed a steadily mounting increase in the purchasing power of the people through increased employment month by month with enlarged weekly pay rolls. We have seen hope and confidence displace gloom and despair.

Now, after 1 year of sincere and successful endeavor to better our domestic affairs, the President is asking that necessary power be placed in his hands so that he may extend his efforts toward bettering our trade with foreign countries, and thereby further promote the general welfare of all the people.

As I shall point out, this bill offers the only practical and feasible method for restoring a normal amount of world trade to the United States. This country has been losing its part in world trade at an alarmingly rapid rate, even more so than the rest of the world. Other countries have pro-

vided their executives with authority to negotiate reciprocal trade agreements and machinery to meet the everchanging economic and trade conditions demanding immediate and prompt action.

Let us examine for a moment and see how our country has fared in the markets of the world as compared with other countries. Between 1929 and 1932, world trade declined 60 percent. And that of the United States declined 70 percent. In 1929 the total exports of the United States were \$5,241,000,000; they declined in 1932 to \$1,611,000,000, or 70 percent; there was a slight increase in 1933 to \$1,675,000,000. The exports of the rest of the world in 1929 were \$27,794,000,000; in 1932 they were \$11,115,000,000, or a decline of 60 percent. We have fallen from 13 percent as our share of world trade to 10 percent.

General imports into the United States fell from \$4,339,000,000 in 1929 to \$1,323,000,000 in 1932, a decline of 70 percent, and increased slightly in 1933, or a 67-percent drop from 1929. So not only did the volume of our foreign trade decline alarmingly, but in percentage we fell behind the other countries of the world.

This clearly indicates that unless we provide some machinery whereby we can successfully compete with other countries, practically all of whom have delegated similar authority in their executives as this bill now proposes placing in the hands of our President, our foreign trade unquestionably will continue to decline, and finally be reduced to a negligible quantity.

One of the principal causes for the decline in our foreign trade are the retaliatory tariffs, quotas, embargoes, and other import restrictions enacted by foreign countries following the passage of the Hawley-Smoot-Grundy Tariff Act, and in retaliation against this law.

I had hoped partisanship would be adjourned in the consideration of this bill and that the same would be considered in the spirit uppermost in the mind of President McKinley, who always had the welfare of the people at heart, when in his last utterance he said:

The period of exclusiveness is past. Commercial wars are unprofitable; reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

However, it is quite evident that our Republican friends hope they may gain some partisan advantage by opposing this bill, and notwithstanding the lofty purpose expressed by President Roosevelt in his message to Congress, we find them engaged in a stubborn partisan opposition to this legislation.

President Roosevelt in his message stated:

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 * * *

I would emphasize that quick results are not to be expected. The successful building up of trade without injury to American producers depends upon a cautious and gradual evolution of plans.

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

During the hearings we heard daily what one witness termed "the gospel of fear and death" from the lips of those opposing this bill, and this will be their text, their sermon, and their song during the entire consideration of this bill.

The opponents of this measure are endeavoring to cause the people to believe that the passage of this bill, the placing of similar power in the hands of the President as the people of practically every other country have placed in the hands of their executives, will mean the destruction of small or so-called "inefficient industries."

While the lofty utterances of President Roosevelt can in no way be construed as meaning the destruction of small or so-called "inefficient industries" or their injury, what do they have to say of the utterances of Hon. Ogden Mills, a

former Member of this House and Secretary of the Treasury during part of the Hoover administration, when he stated during a speech at Topeka, Kans., on the 29th of January last? I am quoting Mr. Mills' speech:

We will have to abandon the present policy of isolation and intense nationalism and to some extent modify recent tariff practices. I have never understood that a sound system of protection, based on the difference of cost of production at home and abroad, means the erection of impassable trade barriers, the destruction of our commerce with the rest of the world, and the sacrifice of the efficient farmer to save the inefficient manufacturer.

No more severe condemnation of the Hawley-Smoot-Grundy Tariff Act and the policy of isolation than that expressed by Mr. Mills in the above quotation has ever, in my opinion, been made by anyone high in either party.

Now, when President Roosevelt proposes a remedy for the expansion of our foreign trade, and to prevent further encroachment on our rapidly vanishing export trade, we find those of the Grundy school of tariff thought placing every impediment in the way of the President. They tell us that the United States is self-contained; that there is no necessity for expanding our foreign trade; that we are going on a "wild goose chase in search of export markets that do not exist." They even doubt the desirability of expanding our foreign trade as set out in the minority report, as follows, ignoring the fact that the existing means have utterly failed and that similar legislation has been declared constitutional:

If the expansion of foreign trade seems desirable, it should be accomplished by existing constitutional means.

It is astounding to me that anyone should doubt the desirability of expanding the meager foreign markets we now enjoy. According to the evidence presented during the hearings, it seemed to be almost unanimously agreed that we should endeavor to expand our foreign markets for our surplus agricultural and industrial products. The lone exception, as I recall, was expressed by Mr. Samuel Crowther, who appeared on behalf, and at the invitation of, the minority members of the committee, apparently in an effort to lend some color to the claim that serious objection exists to the pending bill. Mr. Crowther fulfilled his assignment to the unanimous approval of the Republican members of the committee as they admitted that "he spoke their language."

Mr. Crowther, in replying to a question asked by Mr. Cooper, as to whether "it is at all important for us to try to revive foreign trade", replied: "I think we are wasting our energy; it is dead, beyond the point of revival." And these statements were endorsed by the minority members of the committee.

Contrast such nonsense as that with the views expressed by President Roosevelt in his message to Congress, in which he stated:

Important branches of our agriculture, such as cotton, tobacco, hog products, rice, cereal and fruit raising, and those branches of American industry whose mass-production methods have led the world, will find expanded opportunities and productive activity in foreign markets, and will thereby be spared in part, at least, the heartbreaking readjustment that must be necessary if the shrinkage of American foreign commerce remains permanent.

A resumption of international trade cannot but improve the general situation of other countries and thus increase their purchasing power. Let us well remember that this in turn spells increased opportunity for American sales.

Legislation such as this is an essential step in the program of national economic recovery which the Congress has elaborated during the past year. It is part of an emergency program necessitated by the economic crisis through which we are passing.

I call the attention of the Democratic Members to this statement of the President, that the measure is an essential step in his program of recovery. President Roosevelt and Secretaries Hull, Roper, and Wallace, and Chairman O'Brien, of the Tariff Commission, all of whom testified as to the necessity for this legislation, are not alone in their conception of the importance and necessity of reviving our foreign trade. Let me quote from the testimony of Mr. James A. Emery, speaking for and in behalf of the tariff committee of the National Association of Manufacturers of the United States. Mr. Emery, while not in complete accord with some of the provisions of the bill as it was originally introduced, stated:

I think we fairly represent the industrial viewpoint when we say that the President of the United States can perform no finer service to the country than to enter upon the negotiation of treaties that will in any way enlarge and encourage our foreign trade without impairing the first domestic market of the world. * * *

And later in his testimony he stated:

I want the gentleman to understand from the start what I said; and I repeat it now, so that I may not be misunderstood, that there is no opposition on the part of anyone for whom I have authority to speak to the negotiation of trade agreements or of treaties. They hope, if the President undertakes the negotiations of treaties that are to the advantage of the people of the United States, that he will have a free hand in doing it.

Now let us see how the American Chamber of Commerce feels toward the necessity of reviving our foreign trade by the negotiation of trade agreements, as expressed in May of last year, when the chambers of commerce and trade associations throughout the country voted in favor of the initiation of such reciprocal trade agreements, as expressed by the adoption of the following resolution:

The safeguarding and advancement of our foreign trade should be the purposes of a vigorous commercial policy of our Government. Adaptation of our American economic structure to present world conditions calls for most careful scrutiny of existing policies, keeping in mind always the necessity of assuring stability to our internal industrial and agricultural enterprises, through reasonable protection for American industry, our Government should have power to initiate reciprocal tariff arrangements with foreign countries where such bargaining would be clearly in our national interest. Such agreements would complement our existing flexible tariff in establishing for our country a tariff policy fair alike to our home industry and our competitors abroad.

Then during the hearings Mr. James A. Farrell, representing the Chamber of Commerce of the United States, stated:

The national chamber's interest in reciprocal trade negotiations has been due in large part to the belief that the United States has been slower than other leading industrial nations to recognize the important place the foreign trade occupies as a stimulus to domestic recovery and as a permanent reinforcement of our national economic structure. The depression since 1929, being one of drastic decline in buying power throughout the world, resulting in a serious curtailment of international trade, has affected the United States more acutely than most countries and created a serious problem of unemployment which has been a little more acute in this country than it has been in other countries.

Mr. MAPES. Mr. Chairman, does the gentleman care to yield?

Mr. DOUGHTON. I yield for a question.

Mr. MAPES. The gentleman has called attention to the decline in our export trade. He called attention to the percentage in the decline of export trade as compared with that of other countries. I should like to have the gentleman express an opinion as to how much he thinks our export business has been affected by the increase in the tariff and the high tariff walls that the other countries have put around themselves, and the general attitude of extreme nationalism prevalent throughout the world at the present time.

Mr. DOUGHTON. Of course, it would take quite a time to even express an intelligent opinion upon that.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman from North Carolina yield?

Mr. DOUGHTON. Yes.

Mr. SAMUEL B. HILL. Statistics show that the foreign trade of the United States decreased in greater percentage than that of other countries. As the gentleman from Michigan suggests, the high tariff walls erected against the United States accounted in a great measure for that decrease in the foreign commerce of the United States, but the foreign trade of these same countries did not decrease in the same degree, in the same percentage, as the foreign trade of the United States.

Mr. DOUGHTON. After the enactment of the Smoot-Hawley-Grundy tariff bill, that decline began. The decline did not exist up until that time. That should be some evidence to my friend who, I am satisfied from the question that he has asked, is beginning to see the light.

Mr. MAPES. If the gentleman will yield further, the Smoot-Hawley tariff bill was passed in 1930, at the beginning of this depression. Since that time we have not

boosted our tariff wall as a good many of these other countries have, so that there would be more of a handicap on our exports going into other countries than there would be on the products of other countries coming into this country.

Mr. DOUGHTON. They increased their tariff rates in retaliation to our high tariff rates, of course.

Mr. MAPES. Whether in retaliation or not, they have increased them?

Mr. DOUGHTON. They have, of course.

Mr. VINSON of Kentucky. Will the gentleman permit me?

Mr. DOUGHTON. I yield.

Mr. VINSON of Kentucky. Foreign countries have increased their tariff barriers, which prevents the passage of our goods into their countries, under executive authority, which they have. They have entered into, since January 1, 1933, 68 foreign trade agreements, and it is because of their ability to execute foreign trade agreements that their tariff barriers are reduced to certain preferred countries, and they have taken our export trade. These foreign countries, because of such trade agreements, have purchased goods, which would have been exported from this country. They buy them from countries with whom they have made foreign trade agreements, to which they sell their products.

Mr. MAPES. I may say I had no desire at this time to raise any controversial question.

Mr. DOUGHTON. The gentleman's question is very pertinent.

Mr. MAPES. But I have often wondered how much of our export trade has been affected by this increase in the tariffs of other countries. It has been suggested that this bill will not take care of the trade-agreement situation which the gentleman from Kentucky has mentioned, but I do not care to discuss that.

Mr. DOUGHTON. Referring to the importance of our trade and the place it occupies in our system, Mr. Farrell states:

Seven million persons, it is estimated, are dependent for their livelihood on our foreign trade. It is impossible, therefore, to deal effectively with the problem of unemployment without taking into account the vital importance of our overseas commerce as a means indispensable to the success of the National Recovery Act and as an aid to employment.

The policy of bargaining our way to the markets of the world by means of reciprocal trade agreements is one to which Congress should give careful consideration. Other countries have delegated these powers to the executive, and have already, as in the case of Great Britain and her dominions, made considerable progress ahead of the United States in making foreign-trade promotion instrumental to national economic recovery.

Notice that Mr. Farrell states, "It is estimated 7,000,000 persons are dependent for their livelihood on our foreign trade", and yet the opponents of this bill tell us "we are wasting our energy" and that we are going on a "wild-goose chase in search of export markets that do not exist."

The measure now before us is not only for the development of our foreign trade but is equally, if not more essentially, a measure to prevent further loss of such trade.

In other words, almost every other nation in the world has vested in its executive authority whereby he can deal with this problem overnight, deal with it immediately, deal with it as an emergency, deal with it to meet existing conditions; whereas in this country our Executive has no such opportunity and we must depend on slow, long-drawn-out congressional action. While we are doing that, other nations are taking over the trade of the world, and we are falling far behind.

Mr. EVANS. Will the gentleman yield?

Mr. DOUGHTON. Yes; I yield for a question.

Mr. EVANS. The other nations to which the gentleman has referred are not restricted with constitutional barriers, are they?

Mr. DOUGHTON. No; neither are we in this instance. The history of our Government is full of precedents for this and similar legislation, from 1794 down to the present hour. Authority just as great as this has been vested in the President of the United States many times and has been frequently exercised by various Presidents.

Mr. EVANS. At the same time we have a written Constitution.

Mr. DOUGHTON. Of course.

Mr. EVANS. And they have not.

Mr. DOUGHTON. That is true. But we are proceeding within the spirit and letter of the written Constitution as based upon the precedents established by both Democrats and Republicans, and the gentleman is intelligent enough to know that.

Mr. EVANS. I concede that is the view of the gentleman, but I want to remind the gentleman that we have yet in this country a written Constitution and they have not.

Mr. DOUGHTON. Does the gentleman think anybody is ignorant enough of that to be reminded of it?

Mr. BRITTEN. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. BRITTEN. In reply to the gentleman from California [Mr. EVANS], the gentleman indicated that from time immemorial, as far as we are concerned, we have been doing the very thing that is requested in this legislation.

Mr. DOUGHTON. Something similar.

Mr. BRITTEN. Authorizing the President to negotiate foreign treaties without the advice and consent of the Senate?

Mr. DOUGHTON. Of course we have.

Mr. BRITTEN. When have we done that?

Mr. DOUGHTON. I do not have time to go into it. If the gentleman will read the report, it is set out in many places. The gentleman evidently has not read the report. The very acts are cited and the precedents are set forth.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. DOUGHTON. I yield to my colleague.

Mr. SAMUEL B. HILL. Under the McKinley Act of 1890 Executive agreements to the number of 13 were executed. Under the Dingley Act of 1897, 9 Executive agreements were executed, none of which was referred to either the Senate for ratification or to the Congress.

Mr. DOUGHTON. Section 338 of the present tariff law gives the President of the United States authority to raise duties even without the advice of the Tariff Commission, even without the recommendation of the Tariff Commission. I recommend the gentleman read what has taken place before he asks any further questions.

Mr. BRITTEN. I promise I will not ask any further questions until I have read the gentleman's report.

Mr. DOUGHTON. I thank the gentleman. The gentleman is always fair.

Are we to continue standing idly by while the whole commercial structure of our country is being undermined as Nero did while Rome burned? Are we to emulate the ostrich, and bury our heads in the sand and refuse to see that practically every country of continental Europe, as well as England and her major dominions, and several of the countries of South America have vested authority in the executive branch of their respective governments to negotiate reciprocal trade agreements with other countries for the purpose of removing trade restrictions, so that their foreign trade can prosper? The United States alone, among the major commercial powers of the world, is without this authority in the hands of the Executive branch of our Government.

It is an alarming thing at a time like this, that we are practically the only nation on earth that has not vested the same or similar power in the hands of our Executive.

In my opinion, we have no choice but to grant to the President the authority to join with the other nations of the world in their negotiations, so as to secure for the United States a greater portion of the normal trade, before the other nations have completed dividing it among themselves.

Are we to continue asleep while the other countries are competing for a share of the world trade, and accept the theory that our foreign trade is dead, beyond the point of revival; that the livelihood of 7,000,000 persons is of no concern.

During the hearings the opponents of this measure dwelt at great length on our home market, and claimed that but

only a small percent of our domestic production is dependent upon our export trade. In the aggregate this might appear true, but such claims entirely ignore the fact that in some branches of American agriculture and industry it is of extreme importance and vital to their very existence to maintain and expand our foreign trade.

If my memory serves me correctly, the Republicans in the not far distant past were enthusiastically advocating the expansion of our foreign trade. No less an enthusiast than former President Hoover, for 8 years Secretary of Commerce, in a speech delivered in Boston on October 15, 1928, had this to say:

And today the whole Nation has more profound reasons for solicitude in the promotion of our foreign trade than ever before.

I repeat what I said a moment ago. It is estimated that 7,000,000 are dependent on our export trade for a livelihood.

If this was true when Mr. Hoover said it, how much more weight it has today! During the same speech Mr. Hoover estimated that 2,400,000 families were dependent upon our foreign trade.

Let us examine for a moment and see what foreign markets mean to agriculture and industry in this country. In normal times we export from 55 to 60 percent of our cotton, 40 percent of our tobacco, 30 percent of our lard, 18 to 20 percent of our wheat, as well as many other agricultural products. Unless we make an effort to revive our foreign markets for these products the surplus will continue to mount with its demoralizing influence upon the price structure, as well as militating against the happiness and prosperity of our people.

Unless we expand our foreign markets for many of our industrial products, for which our industries are geared, we will be forced to allow many industries to remain permanently idle, resulting in much additional unemployment.

In normal times we export 40 percent of our typewriters, 29 percent of our printing machinery, 28 percent of our sewing machines, 23 percent of our agricultural machinery, 20 percent of our locomotives, and 14 percent of our automobiles. Many of our manufacturing industries depend upon mass-production methods, whereof a decline in output increases the costs and leads to further unemployment and increased handicaps in marketing their products in our own markets.

Let us examine and see the extent of the decline in our export trade in just a few of our products between 1929 and 1932.

Tobacco declined from 566,000,000 pounds to 411,000,000 pounds; lard declined from 829,000,000 pounds to 546,000,000 pounds; wheat declined from 90,000,000 bushels to 56,000,000 bushels; typewriters declined from 425,000 units to 140,000 units; steam locomotives declined from 207 units to 9 units; automobiles and trucks declined from 536,000 units to 66,000 units.

No one can seriously contend that such declines in the export trade of commodities, which rely so heavily upon foreign markets, would not have a demoralizing effect not only in their respective fields but upon the domestic situation generally. It must be evident that improvement in these industries through an increase in their export opportunities would serve to relieve the acute agricultural and industrial problems we are today enduring.

The development of export trade will mean increased employment and purchasing power in practically every community of the United States.

We cannot have too clearly in mind how sharply our exports have declined. Official figures for 1932 show that our exports of cotton were the lowest, except for 1931, since 1903; of cotton manufactures, the lowest since 1911; of meat products, the lowest since 1870; of animal fats and oils, the lowest since 1889; of wheat and wheat flour, the lowest since 1905; of oil cake and meal, the lowest since 1918; of unmanufactured tobacco, the lowest since 1917; of rubber manufactures, the lowest since 1914; of iron- and steel-mill products, the lowest since 1903; of copper and manufactures, the lowest since 1895; of machinery of all classes, the lowest since 1910; and our exports of automobiles and engines and parts, the lowest since 1915.

Now, let us see how American labor has fared. Immediately following the passage of the Hawley-Smoot-Grundy Tariff Act and the erection of retaliatory trade barriers by the other countries many American industries, in a desperate effort to continue selling in the markets of the world, were forced to establish foreign branch factories. The erection of such branches resulted in displacing American labor and the use of foreign materials instead of our own.

According to a survey by the Department of Commerce, the figures show that approximately \$1,220,000,000 of American capital has been invested in foreign branch factories, employing about 330,000 persons. These figures, however, do not include enterprises with investments of less than \$50,000, the addition of which would show a much larger investment of American capital and the employment of many thousands of additional foreign laboring men, to the detriment of our own labor.

Certainly in face of such a record every Member of this House, whether he comes from an agricultural or industrial section, should be sympathetic with the President's desire to regain foreign markets.

Unless such markets are again made available to American agriculture, as the Secretary of Agriculture has repeatedly stated, it will mean the removal of approximately forty to fifty million acres of average crop lands, and we must also reconcile ourselves to the necessity of permanently closing down many industrial plants, or at least greatly curtailing their output, and, in addition to idle farms and factories, our shipping and rail facilities must necessarily remain partly idle.

The policy of reciprocity proposed by this bill is not new to the United States. Some would have you believe that this bill is a radical departure from past enactments delegating power to the President. There have been many instances, dating as far back as 1794, where similar and even broader powers have been delegated to the President to regulate or to fix rates affecting commerce. Numerous acts delegating such powers have been enacted, and, as a matter of fact, sections 337 and 338 of the present Hawley-Smoot-Grundy Tariff Act contains provisions delegating powers to the President equally as broad, if not more so, than those proposed by this bill. As I said before, numerous laws have been enacted, and in the execution of those laws proclamations were issued by Presidents Adams, Jackson, Polk, Fillmore, Buchanan, Lincoln, Johnson, Grant, and Hayes.

It will be noted that irrespective of party affiliations our Presidents have been delegated powers similar to that now proposed.

Reciprocal trade agreements are the only practical means whereby the United States can hope to secure any additional or, in fact, retain our present foreign markets in a world of such rapid economic changes.

During the hearings we were told that many times in recent months cargoes of American products at sea were recalled because of some new over-night import restriction.

That shows how other nations change their laws to the detriment of the United States. After cargoes are out at sea, foreign governments will change their tariffs by executive order, making it necessary for the shipped goods to be recalled.

The United States must not longer delay creating the necessary machinery to enable our Government to quickly meet present-day methods employed by other countries. Our Government must be in a position to give immediate effect to such negotiations as are necessary to assure trading opportunities to American agriculture and industry. Our only hope against increasing restrictions and barriers to American trade is in the adoption of such a measure as now proposed.

The opponents of this bill will endeavor to stress that the sole purpose of this measure is to bring about a reduction of existing tariff rates, and they will entirely ignore the fact that the mere possession of such powers in the hands of the President, as is proposed, will cause foreign nations to

exercise some degree of caution in the imposition of further restrictive measures against American trade.

It will be claimed that the passage of this bill will mean the displacement of established American industries.

Such claims and contentions should and will, in my opinion, receive the rebuke of the American people as a gross insult and reflection on the intelligence and high patriotic motives of President Roosevelt.

This bill gives him the same grant of authority with reference to foreign trade that he has already been invested with so far as domestic affairs are concerned. The recovery program cannot be fully effective without this additional grant of authority.

I will now summarize briefly the objectives of this bill.

First. To round out the recovery program. This bill merely gives the President the authority in international trade which the Congress has already vested in him in domestic commerce and trade. The recovery program cannot be fully effective without this additional grant of authority.

Second. To reopen the markets of the world to the products of American farm and factories, or otherwise face the prospect of adopting as permanent the policy of curtailing acreage and of reducing manufacturing capacity in many of our most efficient industries.

Third. To exchange the surpluses which we have built up for surpluses which other countries have accumulated of commodities which we do not produce. Until channels of trade are developed so that these surpluses can move normal recovery in America cannot take place.

Fourth. To plan our commerce and industry so as to direct our labor and resources into the most profitable channels, conducive to American standards of living and efficient and effective production.

Fifth. To provide for the intelligent and enlightened application of the protective principle whereby the maximum opportunity of employment and production may be assured to our industries, large and small alike, as well as agriculture.

Sixth. To provide for mitigation of those irritating restrictions contained in the Hawley-Smoot-Grundy Tariff Act which have antagonized the rest of the world to no purpose and to our serious injury.

Seventh. To put in the hands of the President the only effective instrument for meeting the current international trade situation—an authority no greater than that with which practically every other important commercial power has already equipped its executive department.

Only through reciprocity agreements can America participate in the commercial negotiation in which the rest of the world is busily engaged in a manner detrimental to American agriculture and industry.

Eighth. To rejuvenate world trade which will increase the purchasing power of foreign countries as well as our own people and thereby provide greater opportunity for the sale of American agricultural and industrial products.

Those who oppose this bill insist that it is unconstitutional, and express grave fears that it will work untold injury to American industry, American agriculture, and American labor. My opinion is they have an exactly opposite opinion of this bill, their real fears are that it is constitutional, and that it will work, and that it will be a decided benefit to agriculture, industry, and labor, and that it will promote the welfare of the people, and in case it proves helpful to American business and accomplishes the purpose for which it is intended, our Republican friends realize that the old practice of exchanging Government favors in the way of high tariff benefits for campaign funds is at an end, and that they will no longer be able to fry the fat out of certain favored industries to lubricate the G.O.P. machine. This is the fear that tortures and torments them much more than the fear that the bill is not constitutional or any injury that may result from its enactment.

In conclusion let me say, my friends, that this is not intended as a partisan measure. It was considered in the committee by both Democrats and Republicans. The doors

were not closed against the minority, as was the case when the Smoot-Hawley-Grundy bill was written. Everyone was heard, both those in favor of and in opposition to the bill, who requested a hearing, and the small number of witnesses who testified against the measure is, in my judgment, the most conclusive proof of the fact that the people throughout the country, with very few exceptions, are favorable to this legislation. We have brought the bill in under the general rules of the House, we have held no caucus, nor have we applied any gag rule. Any Member is free to offer any amendments he may choose, and vote according to the dictates of his own best judgment on final passage.

I emphasize again that this is a vital and necessary part of the President's recovery program.

I appeal to every Member of this House, and especially every Democrat, and everyone who is willing to aid our President in his earnest and determined fight to relieve the country of the ruin wrought by the economic earthquake which had its inception in 1929 and while very greatly mitigated by the things that have been done, we are still far from complete recovery. Let us look to ourselves well today that we lose not the things that have been wrought, but that we receive the full reward by wholeheartedly giving the President this legislation which he says is indispensable in the consummation and carrying to a successful conclusion the new deal.

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

Mr. DOUGHTON. I yield.

Mr. HART. Does the gentleman think there is any danger of the reduction of effective tariffs on agricultural products if this power is granted to the President? I am not referring to tariffs that are not effective; I am referring to tariffs on agricultural products, which are effective.

Mr. DOUGHTON. I am sure the President will enter into no negotiations or agreements whereby any industry of the United States will be injured.

Mr. HART. The testimony before the Committee on Agriculture by employees of the Department of Agriculture who appeared at the recent sugar hearings indicated that it was the intention to lower the duty on sugar by at least 50 cents per 100 pounds.

Mr. DOUGHTON. Can the gentleman point to any such testimony in the hearings?

Mr. HART. Certainly.

Mr. DOUGHTON. That it was the intention to lower the duty on sugar?

Mr. HART. Yes; for the benefit of Cuba.

Mr. DOUGHTON. I do not recall any such testimony. The President of the United States is elected by all the people. We Representatives are elected by people of certain districts; the Senators represent States; but the President is elected by all of the people and has the welfare of all the people at heart. He has stated again and again through Secretary Hull, through the Chairman of the Tariff Commission, through Secretary Roper, through Assistant Secretary Dickinson, all of whom earnestly support this bill, that no existing efficient industry would be destroyed, but that certain inefficient, unnecessary industries, perhaps, would not be expanded. He assured us, however, that he would do nothing to injure any efficient American industry.

Mr. HART. The sugar industry was described as one of these inefficient industries; and because it at times paid as high as \$200,000,000 taxes into the Treasury it was said to be too much of a tax upon the public.

Mr. DOUGHTON. Will the gentleman show me such testimony before the Ways and Means Committee?

Mr. SAMUEL B. HILL. Does the gentleman refer to the hearings before the Ways and Means Committee?

Mr. HART. No; I refer to the hearings before the Committee on Agriculture.

Mr. DOUGHTON. That was not the testimony before our committee. They tried in every way to wring something out of some witness to the effect that some small industry would be crippled or destroyed; but all the testimony was exactly to the contrary.

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

Mr. DOUGHTON. I yield.

Mr. COCHRAN of Pennsylvania. Does this bill give the President authority to halve, cut in two, any effective tariff upon agricultural products?

Mr. DOUGHTON. The gentleman has read the bill. It gives him authority, when he finds certain facts with reference to American agriculture and American industry and American labor, to raise or lower the tariff rates not to exceed 50 percent.

Mr. SAMUEL B. HILL. It gives him the same authority he now has under section 336 of the present Tariff Act.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. JENKINS of Ohio. Further in line with the questions asked by the gentleman from Michigan, does not the gentleman from North Carolina remember the testimony of Secretary Wallace before the Ways and Means Committee, in which he answered specifically the inquiry made with reference to the duty on beet sugar by a statement to the effect that the sugar industry was an inefficient industry? He classed it as an inefficient industry and indicated strongly that if he had anything to do with it he would strike off the protective tariff on sugar.

Mr. DOUGHTON. I do not think there is any such testimony. I do not remember any such testimony.

Mr. JENKINS of Ohio. I will call the gentleman's attention to the top of page 60, where Secretary Wallace testified as follows:

The sugar-beet industry, as measured from the standpoint of free world competition, is inefficient.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Immediately following this statement, Mr. KNUTSON asked the Secretary as follows:

Mr. KNUTSON. And it should be abolished?

Mr. WALLACE. I did not say so.

Mr. KNUTSON. Should it?

Mr. WALLACE. I have stood precisely and definitely before the Senate Committee on Finance for maintaining the sugar-beet industry on the basis of 1,450,000 tons, which is the average of the past 3 years. I do not think the sugar-beet industry should be allowed to extend further—

Mr. JENKINS of Ohio. That is the part right there.

Mr. DOUGHTON. There is nothing about destroying the industry there.

Mr. VINSON of Kentucky. Quoting Mr. Wallace:

I do not think the beet-sugar industry should be allowed to extend further, because if it is expanded further it is doing it at the expense of our export agriculture. * * * I think it is unsound economically to allow an industry of that type to expand further at the expense of efficient agriculture.

Mr. DOUGHTON. There is nothing said there about destroying the sugar-beet industry, and nothing stated there that could be so construed. You can pick out some isolated sentence here and there and some little remark and make it the substance of the testimony given. However, Secretary Wallace will not be the man who will have the administration of this law. It will be the President of the United States who, I have heard, has some mind of his own and some courage of his own. We know that he has predicated this whole bill upon the solid foundation that no essential American industry shall be crippled. Its sole purpose is to benefit and alleviate American industry by creating a wider market and bring about an improvement in the welfare of all the people. The gentleman knows that is a fact.

Mr. JENKINS of Ohio. I recognize that the distinguished chairman is an agriculturist and a great friend of agriculture. May I ask him if as a great advocate of agricultural liberty he favors the stand taken by Secretary Wallace with reference to tariffs on agricultural products?

Mr. DOUGHTON. I would have to have his position explained further. I am not in favor of anything that is not fair to American agriculture and which would in any way

tend to cripple, injure, or destroy American agriculture. The sole purpose of this bill is to aid agriculture. Agriculture has under this administration made marvelous gains, but this is lost sight of by my friend.

Mr. JENKINS of Ohio. The chairman made a statement to the effect that he did not believe Secretary Wallace would have anything to do with the enforcement of the law.

Mr. DOUGHTON. I said that President Roosevelt would have the last word.

Mr. JENKINS of Ohio. I hope Secretary Wallace will not have anything to do with the enforcement of the law, but owing to the fact he was brought on to testify before the committee, I am led to believe that the facts upon which these proposed tariff agreements will be based will be furnished by the Secretary of State, the Secretary of Commerce, and the Secretary of Agriculture. Personally, I would much prefer that the Secretary of Agriculture be omitted from this list.

Mr. DOUGHTON. The gentleman heard the Chairman of the Tariff Commission testify. This gentleman is in position to know more about tariffs and more about the effect of legislation of this kind than any other one man in the United States. The chairman is a protectionist and a Republican. He was appointed by a Republican President and stated that he would not only give the President this authority but would give him broader authority. The gentleman from Ohio should read all this testimony.

Mr. JENKINS of Ohio. In that connection, may I say to the distinguished chairman that I would be much better satisfied if this bill carried an assurance that the President would get his facts from the Tariff Commission instead of from someone like Secretary Wallace, who indicates clearly that he is prejudiced.

Mr. DOUGHTON. I can assure the gentleman that no danger will come to American agriculture by this law. I will be glad to disabuse the gentleman's mind of any fears along that line, because it is an imaginary fear and the gentleman is seeing a road full of ghosts where none exist.

Mr. JENKINS of Ohio. The gentleman knows very well that the President of the United States cannot possibly be the fact-finding agency in this matter.

Mr. DOUGHTON. The Tariff Commission will have the paramount duty and responsibility in reference to this. In my judgment, the President will rely more upon the Tariff Commission. Of course, he will rely on all the agencies and facilities that will be at his command. He will have the Department of State, the Department of Commerce, the Department of Agriculture, and every other department of the Government at his disposal, as well as the Tariff Commission, whose sole purpose, sole duty, and sole responsibility is to investigate and make reports and advise the President as to tariff matters.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield myself 10 additional minutes.

Mr. JENKINS of Ohio. May I refer to one other proposition? We have apparently agreed in this colloquy that the President of the United States cannot make the proper surveys and be the fact-finding agency in this matter. If this is true, and I think it is true, I do not see why we want to pass a law to establish some other fact-finding agency that cannot be as efficient as the fact-finding agency we have, which is the Tariff Commission.

Mr. DOUGHTON. The gentleman is looking at it from a partisan standpoint. Right on that point, I may say to my friend that the agricultural situation has improved since this administration came in, and if the fact that agricultural commodities have increased, some having doubled, and the purchasing power of the farmers of this country has been multiplied many millions of dollars, does not convince the gentleman that the policy of the administration, in the administration of this proposed law, will not be in safe hands, then we might argue here until the Judgment Day, and I could not convince the gentleman.

Mr. JENKINS of Ohio. May I ask, if that is true, why do you want any changes?

Mr. DOUGHTON. The gentleman has forgotten the chaos and the wreck, the ruin and the havoc and disaster wrought upon this country by the previous administration. I commend that fact to the prayerful consideration of my good friend.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Referring to Secretary Wallace and his testimony, I should like to read into the RECORD at this point a specific statement he made appearing on page 53 of the hearings:

Mr. WALLACE. It seems to me, sir, that the essence of the new deal, if I may be permitted to say it, is to take account of human rights. It would seem to me, also, that a man of the character of the President, in administering powers of this sort, would not be so inhuman as to retire in any barbarous way, such as you seem to contemplate, inefficient industries.

Mr. DOUGHTON. Our friend the gentleman from Ohio could not find that in the hearings.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I yield to my colleague from Massachusetts.

Mr. TREADWAY. In that connection our friend has read into the RECORD a statement from the Secretary of Agriculture, and I should like to supplement that, with the permission of the Chairman, by calling his attention to still another one on page 60 of the report of the hearings. I asked the question of Secretary Wallace:

To what extent do you think the cane-sugar industry should be limited or placed under quota?

Mr. WALLACE. You are referring to the domestic cane?

Mr. TREADWAY. Yes; in Louisiana.

Mr. WALLACE. The same philosophy should apply; there is no difference between the North and the South.

Mr. TREADWAY. You would not approve of the expansion of the growing of cane sugar in Florida?

Mr. WALLACE. I would not, unless it is an efficient industry, and it is clearly not.

These words are what I should like to call to the attention of the House:

They cannot produce as cheaply there as they do in Cuba.

Now, there is the Secretary's yardstick. Because we cannot produce sugar as cheaply as they do in Cuba, he wants to put it under a quota.

Mr. DOUGHTON. That is a matter of expansion, which is involved in the Secretary's statement.

Mr. TREADWAY. He wants to put sugar under a quota.

Mr. DOUGHTON. The gentleman leaves out of consideration the matter of expansion.

Mr. TREADWAY. Of course, the fact is that they employ American hands, but this does not seem to bother Secretary Wallace. He thinks we should import our sugar from Cuba.

Mr. DOUGHTON. Everyone knows that the United States does not and cannot produce an adequate supply of sugar.

Mr. TREADWAY. May I ask the gentleman if sugar has ever been as cheap as it is under the present tariff rates? Why take away employment from Florida and Michigan and other sugar-producing States?

Mr. DOUGHTON. I cannot yield to my friend for a speech or have him take up my time in that way.

Mr. GLOVER. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Arkansas.

Mr. GLOVER. The gentleman from Massachusetts should remember all the facts and deal fairly with the Department of Agriculture. In the sugar bill now before the Committee on Agriculture, while it is proposed to reduce the tariff one half a cent a pound on sugar, there is another provision in the same bill that puts the one half a cent back in a processing tax, and Cuba is not benefited at all by that. The beet-sugar grower, however, does get this additional help from the processing tax, like all other agricultural products.

Mr. TREADWAY. Perhaps the gentleman can find some solace in a processing tax that is worthwhile. I have not seen any myself.

Mr. GLOVER. It is a good thing, and we like it.

Mr. DOUGHTON. Mr. Chairman, I reserve the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield myself 30 minutes and should like to proceed without interruption for 20 minutes, and then I shall endeavor to yield for questions.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 30 minutes.

Mr. TREADWAY. Mr. Chairman, the remarks I am about to make will be extremely critical of the principle involved of having Congress abdicate its control of the taxation system of the country, but in making critical remarks I wish to say that they are in no way reflections on the personality of the President of the United States. I hold the President in the very highest esteem. I have voted with him as far as I could, consistently with my conscience, in his program of recovery; but I claim that when our stern convictions differ from those of the President of the United States, there is but one course for us to pursue, and that is to act according to our convictions and belief as to the benefits to be derived from any policy or program that may be suggested to us.

Mr. Chairman, I venture to say that if the American people had been informed of the purposes of this bill as long ago as it appears to have been the intention of the administration to present it, you never would have received as many protests against any other piece of legislation as would have been made against this bill.

Undoubtedly the intention of the administration was in the minds of the leaders at least a year ago, and it was not until the 2d of March that the public and the Congress were notified that that was the intention of the administration.

On that day, the 2d of March, less than 4 weeks ago from the time the bill comes on the floor, the chairman of the committee introduced a bill now known as the "administration bill", and which has the support of the administration.

I submit that the entire American industry and the public should have known the nature of this permission that they are endeavoring to secure at the hands of Congress in order that due preparation could have been made, at least by the Representatives of the people, to defend their rights in the American Congress.

Think of it! On March 5 notices of these hearings were sent out, and they began on March 8, and extended for a little over a week, and here we are today taking under consideration the most important and far-reaching piece of legislation that the administration has so far submitted. If that is not haste and unfair treatment of the American public, I do not know what it is. Why this haste when we have had less than a month to know the purposes of the administration?

Now, Mr. Chairman, the facts of the case are that the passage of this bill through Congress will, I think, complete the Presidential program of assuming complete authority over governmental functions, and will to all intents and purposes do away with further need of the House and Senate. We followed the President last spring at the special session of Congress in his so-called "recovery program." There were things in it we did not want to vote for, but we did because we had confidence in him. That had to do with national matters, domestic matters, so-called. And it placed in his hands en bloc the rights and powers with which Congress was invested by the Constitution pertaining to internal affairs. This bill places the same type of authority in the hands of the President of the United States, as the legislation of the special session gave him over domestic policies, in our relations to international matters. That is what this bill does.

Congress abdicates its right of control over international matters, trade agreements, if you want to call them that, but in reality treaties. You set up the right of the President to make these agreements without consultation or reference to either branch of Congress. That is the inter-

national power that you ask to have placed in his hands. It will create a dictatorship, and how else have dictators ever been given power? They have been given it gradually, piecemeal, never all at once, but eventually completing the picture. That is what this bill will do if ever enacted into law. There is my chief criticism of the bill.

In asking for this power the President points to the great decline of our foreign trade since 1929 and expresses the opinion that full and permanent domestic recovery depends in part upon a revival of this trade. It seems to me this is putting the cart before the horse. Rather should he have said that a revival of our foreign trade depends in part upon a revival of our domestic trade.

We normally consume 90 percent of what we produce, and our export trade makes up only 6 percent of our national income. To say that our prosperity is based upon our foreign trade is to say that the tail wags the dog.

The President also states the "American exports cannot be permanently increased without a corresponding increase in imports." Imports of what? Of noncompetitive goods which we do not produce, such as coffee, tea, rubber, raw silk, tin, and so on? Not at all. He demands authority to deal with the articles on the dutiable list and to allow the increased importation of such competitive goods in return for foreign-tariff concessions on American exports. In other words, he proposes to put certain industries out of business in this country in order to gain an export market for the products of certain other American industries. Putting it differently, this bill gives the President the power of life and death over every domestic industry, whether manufacturing or agricultural, and over every section of this country, whether industrial or agricultural.

In this connection let me read a brief item from the New York Journal of Commerce of January 31, 1934, and I want my friends from New England and other Northern Atlantic States to pay particular attention to this. The item is as follows:

ADMINISTRATION REGARDED DETERMINED ON TARIFF PROGRAM

Revelation, by Federal Relief Administrator Hopkins, of administration plans to encourage decentralization of industry is seen in congressional circles as giving credence to the determination of President Roosevelt to seek broad powers to negotiate reciprocal trade agreements with foreign nations.

Admittedly the plan would have the effect of putting some of the big factories in the East out of business, but, in the opinion of Mr. Hopkins, that would be a most desirable end. President Roosevelt has commented upon the congestion in the Atlantic seaboard area and is understood to have advanced the theory that to permit the entry of foreign competitive products would inevitably drive the population into other sections.

It is said that the administration has in mind particularly boots and shoes, textiles, small tools, and cutlery. The feeling is that the South easily can stand the competition from abroad, whereas northern mills cannot live without tariff protection. All of this is a part of a long-range plan intended to change the whole lay-out of American industry.

The item which I have just read contains some slight indication of the power and authority embodied in the right to negotiate trade agreements with foreign nations. It is this power and authority which by the pending measure would be lodged in the hands of one man. I contend that any such delegation of authority is absolutely unconstitutional.

Let us go into a little detail. Does it seem right and proper that with such a tremendous power as is asked for in this bill, no information should have been given to the public of the intention? I have already touched on that. Further than that, is it right or proper that these findings should be put into effect without the interested parties given a chance to be heard? It supplements the breaking of the contracts for carrying the air mail. It is another procedure of the same character and description, only worse and more serious. No hearing whatsoever is given to industry in this country, nor are they told what ones are to be selected for sacrifice on the altar of reciprocal trade. No notice of hearings are to be given, no report to industry, no notice as to what industry is to be hit.

I am not an inquisitorial lawyer, I realize, but I tried my best to get information from the various Cabinet members who appeared before us as to what transactions and swap-

ping trades were to be put into effect, and absolutely nothing could you obtain from them, not a word. Let me show you what the author of this bill said. It is credited to the Assistant Secretary of State, Mr. Sayre. He is said to be the author of the bill. I can readily see that gentleman lecturing to a college class—another professor. I said to him, "I wish that all of the 'brain trust' were able as you are", though I do not agree with his views whatsoever. However, he is a brilliant man. I asked Mr. Sayre about these bargaining treaties and agreements. I said:

Could you give us a little more detail? You have been a little more frank than some of the others I have interviewed.

He said:

I don't know that I have, and I don't feel that it is quite possible to reveal the approaches the foreign governments made in confidence to the State Department. I think really, sir, it would not be polite or wise or fair to reveal such approaches as have been made.

Even before this bill is enacted the Assistant Secretary of State admits that they have been approached by foreign governments to enter into these so-called "trades"; swapping transactions, I call them. I then said:

You ask us to take these approaches of foreign governments to a branch of our Government on faith?

Mr. SAYRE. No; not on faith.

I then asked:

What else?

And he said:

On reason.

Whose reasoning? We have no information about it; not the slightest in the world. We must take it on faith. It seems to me that the answer to that is that we are the selected representatives of the people, and it would be much more in keeping for the Secretary of State and his assistant to have faith in the representatives of the people instead of dickering in the dark, so far as Congress is concerned, with foreign governments as to the nature of the trades they were going to effect. I think we ought to be trusted before foreign governments.

I do not go to the extent that some of my Democratic friends do about this smooth language in the bill, and, by the way, I want to refer before I forget it to that language. Read the first page and a half. There is not a conglomeration of words in existence which is more prettily worded and which means less than that page and a half. That page and a half has absolutely no meaning whatsoever. It is nice language. As a witness at the hearings said, "It is a pious prayer." You can see the gentleman, who was educated in Williams College and Harvard University, and who has lectured elsewhere, and you can understand how he could gather up those words that mean nothing. There is no law there of any kind or description, just a set-up that sounds pretty on paper. The only part of the bill that actually means a thing is where it authorizes the President of the United States to make trades with foreign countries in the dark, without confiding to Congress the slightest information. That is the real language to be found in the bill a little further on, but all these whereases and preamble stuff amount to nothing but a pure conglomeration of fancy words.

Why should it not be incumbent on somebody to have a little faith in us? Reference has been made to the fact that we ought to have faith in the President of the United States. We have absolute faith in him individually and personally, but not politically nor in his sound judgment for America's best interest in dealing with our own affairs. Somebody unfortunately has sold this idea of reciprocal trade to the President of the United States; and while Mr. Wallace and Mr. Roper and Mr. Hull all favor reciprocal trades, they do not tell us what we are going to trade. You are asked to have confidence in the President. There are only 24 hours in a day, and the President of the United States has a good many duties to perform during that period of time. Then to say that he is to take the place of the Tariff Commission, that he is to take the place of all witnesses of

industry, every possible source of information—that all that responsibility is to be centered in him personally, and to ask us to believe that he will have the ability physically to do these things, I say, is asking us to put too much faith in the President of the United States.

Would not his subordinates have this job on their hands? Who else can do it? Nobody else, and nobody will try to do it; and the President will sit in his office and sign their findings on the dotted line. They will be the real tariff-makers, and the President would be obliged to rely upon them in any action he might take.

Now, Mr. Chairman, if we are supposed to have such an abiding faith in the wisdom of the President, why can he not have at least an equal amount of faith in us and let us know in advance what changes he proposes to make in the way of trade agreements?

But this is not a part of the plan. We are not to know which article of industry or agriculture has been marked for slaughter until the killing has actually taken place. Not until a trade agreement is made public will the identity of the victim be known. Then, without notice or hearing, the particular branch of industry or agriculture affected will read in the newspapers that its domestic market is to be displaced by a foreign product. Factories will be closed, farms will go to seed, men will be thrown out of work, large investments will be made worthless. Not a pretty picture. The fact that the people concerned, through their representatives in the National Legislature, may voice their objection will not change matters. Their representatives here in Congress, if this bill be passed, will have forfeited their right to object.

Of course, the reason these trade agreements will not be first submitted to Congress for approval is that the administration well knows from past experience that it is difficult to secure congressional approval of trade treaties. Members should bear in mind, if they vote advance approval of the trade agreements by this bill, that they may be voting the death of some industrial or agricultural activity in their district; unimportant, perhaps, in the national picture, but in many cases the lifeblood of a local community.

They should bear in mind that they may be voting hunger and want to their own people by allowing the President to permit the increased importation of the products of some foreign country. With this understanding now, let them not say to their people later on that they did not know what they were doing when they voted for this bill.

Let us consider now the possibility of some of these transactions. I am wondering just what products the President hopes to enable our producers to dispose of abroad, and, what is more important, what is the President going to take in exchange? These questions were put to those representing the administration during the hearings on the bill, but no answer was forthcoming from them. We were told that the details could not be made public; that the subject was too delicate for Congress to handle, and that there were too many diverse interests represented in Congress for it to take a national view of the problems involved.

In other words, we are expected, as I have said, to take this bill on faith, without advance knowledge of what domestic industries are to be sacrificed on the altar of foreign trade.

In response to questions the Secretary of State indicated he would have a downward revision of all "excessive trade barriers", but he gave no definition of such barriers, nor did he indicate any particular rates which he thought came within this category. The inference was that he would reduce every rate which provided sufficient protection to keep out a considerable quantity of foreign importations.

The Secretary of Agriculture suggested that we could sacrifice what he termed the "inefficient" industries in tariff bargaining. These he defined somewhat generally as those small industries which could not meet world competition under lowered tariffs. He also went so far as to mention a few items which he thought might be used for trading purposes, such as the finer textiles, laces, toys, various luxury articles, and articles produced by hand

labor. It may interest the people engaged in the sugar-beet industry to know that the Secretary of Agriculture considered this industry inefficient as measured from the standpoint of what he called "free world competition."

The Secretary of Commerce, while not mentioning any particular articles which he thought might be used in the reciprocal trade negotiations, did refer the committee to the report of the Tariff Commission made in response to the Costigan resolution, in which is contained various lists of imported articles classified under such headings as the following:

Articles of which imports have substantially decreased.

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

Articles on which the tariff rates exceed 50 percent.

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

The assumption, of course, is that if any of these conditions apply to an article, the tariff should be reduced or removed altogether. If Members of the House will take the trouble to examine this list, they will find that a large part of all the articles covered by the tariff law are included in one list or another.

Now, what benefit is it expected will come to our export industries under this measure? After we reduce our tariffs, and foreign countries rush to ship their products into our markets, thereby driving our own producers out of business, what assurance is there that they will buy any of our products?

The fact is that unless we can undersell the rest of the world, we cannot expect to sell in world markets. That is fundamental.

We do not know what products are to be exchanged under these bargaining agreements, these trade treaties, which I have called "swapping." That word sounds better to me. Does it not take two to make a trade? Did you ever hear of a one-sided trade? Mr. Chairman, do you not think that every country on the face of the globe will be looking out for its best interests in making these trades? What else do they want to trade for but to favor their commerce as against our industries? I am not so confident that those representatives of foreign countries will all be as fair by America as David Harum was in his horse trades. He may have got the better of you—and that is what his game was—but he was square and fair in the end. I do not quite think that our foreign friends are likely to imitate David Harum.

Further than that, suppose we make these trades or swaps, how are we going to force the foreign countries to take American goods in swapping unless they are sold at less than they can buy from other countries? Is there a possible answer to that? They are not coming here through any philanthropy for America and buy our products if they can go to some other country and buy them cheaper. They are not in for that kind of a swap.

Further than that, how is Professor Sayre or his associates going to force these trades on foreign countries? You might reach an agreement to ruin every industry in New England and admit their goods and still not force the industrial people of those foreign countries to buy our goods. They are not going to be forced to buy in a market that may possibly cost them more than elsewhere. That is the kind of a swap we are asked to indulge in.

In this connection it perhaps ought to be understood that if this bill is passed the Government is not going out and buy up all the surplus wheat and cotton and other products and endeavor to trade them for the products of some other country. On the contrary, all that reciprocal trade agreements can do is to provide the avenues by which the nationals of the respective countries may carry on trade under more favorable conditions. Once the avenues are created, they may or may not be used. Many of our exporters will be unable to take advantage of them. As a matter of fact, these avenues will be found to be largely one-way streets into our rich domestic market, which does over one half the world's business and which is the envy of all nations.

We read a great deal about "Buy American." It was a slogan. It went all over the country for months, and now if we pass this bill it will be "Buy foreign goods." I say the title of this bill is not "Amendment to the tariff act." It is a complete change. It should not be entitled "Amendment to the tariff act." It is not. It is a new deal, and the title of the act should be, "Surrender America's interests to foreign competitors." That would be a much more proper title to the bill than to say it is an amendment to the tariff act. It is no such thing.

There has been a great deal said about these various features, that it is not a banking measure, and all that sort of thing. My friends, it is. You do not suppose that any of those foreign countries are going to make any deal with our country that does not involve a reduction of their debt? Secretary Hull said not.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. WOODRUFF. I hold in my hand a clipping from the Washington Herald of March 16, with a large headline which reads:

French double tariff levies on United States goods.

And then down in the body of the article it states:

The Government acted under recently granted powers to deal with tariffs. The move was regarded as strategy, through which France hopes to arm herself with a trump card for future trade deals with the United States.

Mr. TREADWAY. Absolutely. When they talk about retaliatory tariffs it is easy enough to lay them overnight. Fortunately for us, we have a Constitution in this country, and we ought not break it in any such legislation as this proposed. But as the gentleman from Michigan [Mr. WOODRUFF] says, retaliatory tariffs for trading purposes will be proposed by every swapper in foreign lands. Is that not correct?

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. SAMUEL B. HILL. I want to ask the gentleman from Michigan—

Mr. TREADWAY. Why not ask me?

Mr. SAMUEL B. HILL. I will ask the gentleman from Massachusetts how the French Government raised its taxes overnight?

Mr. TREADWAY. By authority of their administration. They have a different system of government, and I am for our system.

Mr. SAMUEL B. HILL. But their system is effective in getting prompt action in changing tariff rates?

Mr. TREADWAY. No; I do not agree with the gentleman at all on that finding.

Mr. SAMUEL B. HILL. I take it it is self-evident from the gentleman's statement.

Mr. TREADWAY. No; it is not self-evident. It is not correct. It is retaliatory, and they can go among their own neighbors and make any swaps they want to, but when it comes to swapping American rights, we want something to say about it.

Mr. BRITTEN. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. BRITTEN. Is it not evident that the action of the French Government was taken for the sole purpose of deceit?

Mr. TREADWAY. For the sole purpose of preparing for these reciprocal agreements that this administration wants to throw in their laps.

Mr. Chairman, the broad powers conferred upon the President by this bill, if passed, will only enable him to go on a wild goose chase for foreign markets that no longer exist, all at the expense of domestic trade and industry. The world has comparatively little that we want or need, except certain products that we do not produce and which we are already importing. Our trade with Central and South American countries can be expanded only by our admitting the agricultural products of those countries. So far as Europe is concerned, we are almost entirely independent, and any imports from that source would be at the

expense of our own industries, whether they remain in the North and East or are transplanted to the South.

We are slow to realize it, but the Old World markets are practically gone. We once had a virtual monopoly of the world wheat market, but that was before Canada, Argentina, and Australia came into the field. Our cotton has been displaced to an increasing extent by that of India, Egypt, Brazil, British East India, and the Anglo-Egyptian Sudan.

We formerly sold our manufactured products to many countries which today, largely with our own machinery, are producing their own goods. Many of the nations of the world which formerly used large quantities of our agricultural products are now raising their own foodstuffs.

These economic developments throughout the world are natural processes of evolution and they bring to mind the great changes which have taken place within our own country during the last century and a half. Their effect is not only to reduce the number of purchasers for the world's goods, but to increase the competition for the remaining markets as well.

The President seeks to expand our exports by increasing our imports. You may increase your purchases from your neighbor, at your own expense, but your neighbor will not increase his purchases from you unless you undersell your competitors, and America, neither North, East, or South, can do that and maintain American standards of living.

At this point I shall include certain excerpts from the testimony of Mr. Samuel Crowther, a brilliant writer and economist, who appeared before the committee in opposition to the bill:

Let us see what foreign trade is. Why do we sell anything abroad? It is to exchange some wealth we have produced for some wealth that someone else has produced, isn't it? * * * Now, if we produce that same wealth here as the foreigner, should we not buy it at home rather than abroad? (Hearings, p. 456.)

The great majority of the industrialists of the country are already agreed that their possible foreign business is of slight consequence as compared with the future of the home market. * * * The really important farm interests, such as the dairy, the cattle, the egg, the fruit, and the vegetable people, depend entirely upon the home market. The wheat farmers and the cotton planters, who now have become less important in the national picture, would like a large export trade as well as a large domestic trade. That, however, is not in nature. (Hearings, p. 452.)

The export trade of the world is going the way of the whaling trade, and there is just as much chance of restoring it as there is of restoring the whaling trade by cutting out electricity and decreeing the world-wide use of sperm oil. The British coal trade with Italy can be reestablished only by destroying Mussolini's new water-power stations. The British cotton trade with India can be brought back only by destroying the Indian cotton fields and mills, which is as reasonable as attempting to close our own southern cotton mills in order to revive the cotton trade of New England. Chile can regain the trade in nitrates only if artificial fixation of nitrogen be prohibited. Germany can regain its chemical trade only if the trades in England, the United States, and Japan are shut down. And so on. (Hearings, p. 449.)

If at the height of our exporting, when we were giving our goods away to foreigners, the amount that we exported made only a trivial proportion of our trade, how can it be that suddenly the foreign trade has taken all-important position in our economy? (Hearings, p. 452.)

I say that if my recital of facts is correct this bill cannot accomplish any of the purposes which it is designed to effect, therefore, the exercise of judgment under it could not be beneficial and might be harmful.

I say that the Congress of the United States should not delegate such a grave matter of domestic policy in the unreviewable judgment of any man, whether he be President or anyone else. (Hearings, p. 463.)

Mr. Chairman, during the course of the hearings on the bill the majority laid great stress upon the fact that so few witnesses appeared in opposition to the measure. The House is entitled to know just how this measure comes before us today.

On March 2 the bill before us, which is admittedly the administration measure, was introduced by Chairman DOUGHTON. On March 5 notices were sent out by the clerk of the committee that hearings would begin on March 8, and informally the chairman stated he hoped they would be concluded by Saturday, March 10.

May I inquire what representatives of the people have appeared in favor of the bill? Those who testified in favor were the President of the United States, through the Secre-

tary of State, the Secretary of Agriculture, the Secretary of Commerce, the Chairman of the Tariff Commission, the Assistant Secretary of State, and the Assistant Secretary of Commerce; Mr. Harry Tipper, representing the American Manufacturers' Export Association; Mr. H. E. Miles, representing the Fair Tariff League.

The list of witnesses who appeared in opposition to the bill is as follows: Mr. James A. Farrell, representing the Chamber of Commerce of the United States; Mr. John E. Dowsing, representing the United States Potters' Association; Mr. William H. Cliff, representing the Home Market Club of Boston; Mr. James A. Emery, representing the National Association of Manufacturers; Mr. Benjamin C. Marsh, representing the People's Lobby; Mr. Samuel Crowther, economist and writer.

We therefore have a total of 14 witnesses, 6 of them representing the President, on perhaps the most important measure with which Congress has had to deal in a great many years. This is ample evidence that the public has no information that this measure is here. If this legislation is so desirable for the welfare of the people of the country, why have not the people fallen over themselves to get into the hearing room to testify in its favor?

Those who appeared in opposition are representatives of the industrial interests of the country, and the number of employees in these industries runs into the millions. It may at least be said that the weight of evidence pro and con on the bill can be regarded as a 50-50 proposition, with the balance, if any, in favor of the opponents.

I want now to refer very briefly to 336, 337, and 338 of the present law.

Mr. LEE of Missouri. Will the gentleman yield?

Mr. TREADWAY. I yield briefly.

Mr. LEE of Missouri. Were not James G. Blaine and William McKinley in favor of reciprocity, the very thing that the President is asking?

Mr. TREADWAY. I am glad the gentleman brought up that question, because the yardstick of measurement in their day was such that they did not concede any such right or privilege to the President of the United States as is asked for in this bill. Under these prior reciprocity treaties, Congress either retained the right to approve or reject any treaty entered into or else it laid down in advance the concessions or retaliations the President might use as a basis for negotiation. No legislative or treaty-making power was surrendered.

Mr. VINSON of Kentucky. I know, but in that day the bankers had not robbed the people as they have today.

Mr. TREADWAY. That did not enter into the picture; and there is not any robbery when you are protecting American industry. The international bankers want this bill passed so they can collect the money owed them by foreign countries.

Mr. HART. How about American agriculture?

Mr. TREADWAY. Let me read what Mr. Wallace said on that very subject. I have already read what he had to say in connection with sugar. There is no better illustration than sugar. The Secretary of Agriculture said that we are inefficient in the production of sugar. I recently visited a sugar mill in Florida where 3,000 people would have been out of work except for that sugar factory; where 16,000 acres of cane is being grown that would not have a market except for that plant.

How can Secretary Wallace say it is inefficient when one never could buy sugar cheaper than at present? Although the amount of sugar produced by this one mill in Florida would sweeten the coffee of the people of the United States for only one morning, yet the Secretary of Agriculture does not want that industry in Florida expanded. To my mind, there can be no more ridiculous suggestion than that.

Mr. HART. What I wanted to ask the gentleman about was the farm dollar. How about the purchasing power of the farmer's dollar as compared with the dollar of industry?

Mr. TREADWAY. That is the same old question that has been up here for the last 20 years.

Mr. HART. But we are always getting the worst of it on the same levels.

Mr. TREADWAY. Congress invariably has tried to better agriculture; and we are trying today to do it.

Mr. HART. But the tariff is not effective.

Mr. TREADWAY. Well, it certainly is not going to be improved by lowering it.

Mr. HART. There is only one thing he can lower it on.

Mr. TREADWAY. If they do not like the tariff, let it be changed by the representatives of the American people. What does the gentleman say to that? Let us do that.

Mr. HART. We are going to do it.

Mr. TREADWAY. Why should we do it this way by putting all this power into the hands of one man?

Mr. HART. Agriculture has always got the worst of it.

Mr. TREADWAY. It will not be bettered through trades.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. VINSON of Kentucky. Referring to the question of the gentleman from Arkansas [Mr. GLOVER], and the reply of the gentleman from Massachusetts to the effect that there was no yardstick in this legislation, will not the gentleman from Massachusetts point out the difference between the yardstick used in section 3 of the Dingley Tariff Act and the yardstick set up in the legislation now before us? I do not want the gentleman to refer to section 4 of the Dingley Act.

Mr. TREADWAY. I am talking about sections 336, 337, and 338. In none of these sections was the power of Congress abdicated, not in the slightest degree. As I understand those sections, the President was distinctly told the limitations within which he could act. This bill places no limitation whatsoever.

Mr. VINSON of Kentucky. Does the gentleman state that under section 3 of the Dingley bill, or under section 338 of the present tariff law, the President was told to come back to Congress for concurrence by the Senate?

Mr. TREADWAY. In the Dingley Act of 1890—

Mr. VINSON of Kentucky. That is the McKinley bill.

Mr. TREADWAY. Well, in this year, under the McKinley bill in 1890.

Mr. VINSON of Kentucky. That is not the bill to which I refer.

Mr. TREADWAY. Well, we hear a lot about oxtail soup, and we are getting pretty far back.

Mr. VINSON of Kentucky. I point out to the gentleman that under section 3 of the Dingley bill, as well as under section 338 of the present tariff law, the President is not required to secure the concurrence of the Senate; and the same yardstick is provided as in the present bill.

Mr. TREADWAY. To what year does the gentleman refer?

Mr. VINSON of Kentucky. Dingley Act of 1897.

Mr. TREADWAY. In every principal provision of that act definite limitations were prescribed. Blanket authority has never been granted the President of the United States and we are not willing to give it to him now.

Mr. VINSON of Kentucky. Blanket authority was granted by section 3 of the Dingley bill. Section 4 gives specific authority.

Mr. TREADWAY. Under section 3 of the Dingley bill Congress laid down specific duties on designated articles which the President could impose in case of discriminations by foreign countries which exported those products to the United States. Under section 4 the President was given broad treaty-making powers, but any treaty he made had to have both the concurrence of the Senate and the approval of Congress.

At this point I shall include these provisions of the act of 1897, so that there may be no question as to what they provide.

RECIPROCITY SECTIONS OF THE DINGLEY TARIFF ACT, EFFECTIVE JULY 24, 1897

SEC. 3. That for the purpose of equalizing the trade of the United States with foreign countries, and their colonies producing and

exporting to this country the following articles: Argols, or crude tartar, or wine lees, crude; brandies or other spirits manufactured or distilled from grain or other materials; champagne and all other sparkling wines; still wines and vermouth; paintings and statuary; or any of them, the President be, and he is hereby, authorized, as soon as may be after the passage of this act, and from time to time thereafter, to enter into negotiations with the governments of those countries exporting to the United States the above-mentioned articles, or any of them, with a view to the arrangement of commercial agreements in which reciprocal and equivalent concessions may be secured in favor of the products and manufactures of the United States; and whenever the government of any country or colony producing and exporting to the United States the above-mentioned articles, or any of them, shall enter into a commercial agreement with the United States, or make concessions in favor of the products or manufactures thereof, which, in the judgment of the President, shall be reciprocal and equivalent, he shall be, and is hereby, authorized and empowered to suspend, during the time of collection of the duties mentioned in this act, on such article or articles so exported to the United States from such country or colony, and thereupon and thereafter the duties levied, collected, and paid upon such article or articles shall be as follows, namely:

Argols, or crude tartar, or wine lees, crude, 5 percent ad valorem.
 Brandies or other spirits manufactured or distilled from grain or other materials, \$1.75 per proof gallon.

Champagne and all other sparkling wines, in bottles containing not more than 1 quart and more than 1 pint, \$6 per dozen; containing not more than 1 pint each and more than one half pint, \$3 per dozen; containing one half pint each or less, \$1.50 per dozen; in bottles or other vessels containing more than 1 quart each, in addition to \$6 per dozen bottles on the quantities in excess of 1 quart, at the rate of \$1.90 per gallon.

Still wines and vermouth, in casks, 35 cents per gallon; in bottles or jugs, per case of 1 dozen bottles or jugs containing each not more than 1 quart and more than 1 pint, or 24 bottles or jugs containing each not more than 1 pint, \$1.25 per case, and any excess beyond these quantities found in such bottles or jugs shall be subject to a duty of 4 cents per pint or fractional part thereof, but no separate or additional duty shall be assessed upon the bottles or jugs.

Paintings in oil or water colors, pastels, pen-and-ink drawings, and statuary, 15 percent ad valorem.

The President shall have power, and it shall be his duty, whenever he shall be satisfied that any such agreement in this section mentioned is not being fully executed by the government with which it shall have been made, to revoke such suspension and notify such government thereof.

And it is further provided that with a view to secure reciprocal trade with countries producing the following articles, whenever and so often as the President shall be satisfied that the government of any country or colony of such government, producing and exporting directly or indirectly to the United States, coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, or any such articles, imposes duties or other exactions upon the agricultural, manufactured, or other products of the United States, which in view of the introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans into the United States as in this act hereinbefore provided for, he may deem to be reciprocally unequal and unreasonable, he shall have the power, and it shall be his duty, to suspend by proclamation to that effect the provisions of this act relating to the free introduction of such coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans of the products of such country or colony for such time as he shall deem just; and in such case and during such suspension duties shall be levied, collected, and paid upon coffee, tea, and tonquin, tonqua, or tonka beans, and vanilla beans, the products or exports, direct or indirect, from such designated country, as follows:

On coffee, 3 cents per pound.
 On tea, 10 cents per pound.
 On tonquin, tonqua, or tonka beans, 50 cents per pound;
 vanilla beans, \$2 per pound; vanilla beans commercially known as "cuts", \$1 per pound.

Sec. 4. That whenever the President of the United States, by and with the advice and consent of the Senate, with a view to secure reciprocal trade with foreign countries, shall, within the period of 2 years from and after the passage of this act, enter into commercial treaty or treaties with any other country or countries concerning the admission into any such country or countries of the goods, wares, and merchandise of the United States and their use and disposition therein, deemed to be for the interests of the United States, and in such treaty or treaties, in consideration of the advantages accruing to the United States therefrom shall provide for the reduction during a specified period, not exceeding 5 years, of the duties imposed by this act, to the extent of not more than 20 percent thereof, upon such goods, wares, or merchandise as may be designated therein of the country or countries with which such treaty or treaties shall be made as in this section provided for; or shall provide for the transfer during such period from the dutiable list of this act to the free list thereof of such goods, wares, and merchandise, being the natural products of such foreign country or countries and not of the United States; or shall provide for the retention upon the free list of this act during a specified period, not exceeding 5 years, of such goods, wares, and merchandise not included in said free list as may be designated therein, and when any such treaty shall have been duly ratified by the Senate and approved

by Congress, and public proclamation made accordingly, then and thereafter the duties which shall be collected by the United States upon any of the designated goods, wares, and merchandise from the foreign country with which such treaty has been made shall, during the period provided for, be the duties specified and provided for in such treaty and none other.

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

Mr. TREADWAY. I yield.

Mr. COCHRAN of Pennsylvania. I want to answer a question which has not been answered, namely, why the sugar mill which the gentleman visited recently in Florida is inefficient?

Mr. TREADWAY. I claim it is not.

Mr. COCHRAN of Pennsylvania. Secretary Wallace gave as the reason in his testimony before the committee, the fact that they cannot produce sugar as cheaply there as they can in Cuba.

Mr. TREADWAY. I quoted that in answer to the question of the chairman of the committee, the gentleman from North Carolina [Mr. DOUGHTON]. There is the whole issue in the very language of the Secretary of Agriculture. Because we cannot produce sugar as cheaply; because we will not ask our agricultural employees to work under the conditions existing in the half civilized regions of the interior of Cuba, we are asked to compete with their prices.

I prefer that we expand our home industries before looking after our foreign friends and neighbors, even though they be just across the channel.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield myself 10 additional minutes.

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

Mr. TREADWAY. I yield.

Mr. DOUGHTON. Would the gentleman please explain what ex-Secretary Mills meant by referring to inefficient industries?

Mr. TREADWAY. I did not hear the gentleman's speech; and when he made the speech, he was not an official of the Government. I am quoting from Democratic Government officials today; I am quoting from the present Secretary of Agriculture, the present Secretary of Commerce; and while I have the highest regard for Mr. Mills, he is not an official of the Government today and I am not interested in any way, shape, or manner in his unofficial statements.

Mr. DOUGHTON. He knows something about industry. He recognizes that there are inefficient industries in the United States.

Mr. TREADWAY. Why did not the gentleman from North Carolina show more interest in Mr. Mills' theories when he was Secretary of the Treasury? The gentleman was doing the best he could to defeat him all the way. When he goes out into the country and makes a speech that has no official authority, the gentleman from North Carolina is terribly interested in his viewpoint.

Mr. DOUGHTON. I wish the gentleman would verify the statement that I was trying to defeat anything Mr. Mills was doing.

Mr. TREADWAY. I never saw very much support for Mr. Mills on this side of the House when he was talking about the tariff. I did not see any great support for his theories later on when he became Secretary of the Treasury. I do not think the gentlemen on this side of the House showed any interest in Mr. Mills other than to criticize him.

Mr. HART. Mr. Mills learned something last fall.

Mr. TREADWAY. You gentlemen will learn something this fall and 2 years from this fall if you enact this bill into law.

Mr. HART. We should worry about that.

Mr. TREADWAY. I am not worrying. I assure the gentleman I am not worrying a particle.

I quote in connection with the flexible tariff provisions of the present law the opinions of some of our associates on this side. Our distinguished chairman has quoted an ex-

official. I desire to quote something that was actually said on this floor.

Mr. MAY. Will the gentleman yield?

Mr. TREADWAY. May I quote something that was said on this floor when the question of a flexible tariff provision was before the House?

Mr. MAY. Before the gentleman proceeds, will he yield? In the first part of the gentleman's speech he made a general statement indicting the administration and the leadership of the House for not giving the country an opportunity to be heard on this bill. May I call attention to the fact that on page 266 there is a statement by Harry Tipper, executive vice president of the American Manufacturers' Export Association?

Mr. TREADWAY. Yes; with emphasis on the word "export."

Mr. MAY. May I emphasize something also?

Mr. TREADWAY. His testimony was not worth anything.

Mr. MAY. He says he has 300 memberships in 300 different communities.

Mr. TREADWAY. Certainly, and all of them are exporters.

Mr. MAY. There are filed with his statement a number of briefs representing various industries.

Mr. TREADWAY. All right. If the gentleman wants to quote from the testimony given before the committee, may I quote what Mr. Emery said, representing the National Association of Manufacturers of the United States? I will put this in the RECORD for the benefit of the gentleman:

It cannot be believed, however, that the President should be authorized to conclude such agreements as are here proposed and make them effective without reference to Congress.

I insert at this point some further extracts from Mr. Emery's testimony:

Mr. Chairman, to state the propositions I desire to present to the committee I beg to offer this view of the tariff committee of our association: That it has every confidence in the good faith and high intelligence of the President. It believes he should be authorized to negotiate any trade agreements that may advance the foreign commerce of the United States, without restriction as to articles removable to or from the free list; but it cannot believe, however, that the President should be authorized to conclude such agreements as are here proposed and make them effective without reference to Congress (a) because it doubts it to be a valid exercise of what it believes is a treaty-making power and (b) because the industries affected should have knowledge of proposals vitally affecting not only their employing capacity but perhaps their very existence. They should, therefore, have at some point a day in court, and none is provided here in this bill.

They are of the opinion that in the present uncertain economic situation at home and abroad a definite limit should be placed upon any trade treaty, particularly because of the instability of currency in the general rapid change in economic conditions, which from time to time create circumstances necessitating the termination of agreements upon due but fairly short notice.

Finally, they assert particularly at the present time the necessity of maintaining reasonable methods of protection where demonstrable foreign competition adversely threatens American industries and their capacity for employment. Our major depression problems are emphatically domestic and should receive primarily our major attention. (Hearings, p. 395.)

I trust the committee will not understand in speaking for our tariff committee that I am depreciating in the least the advantages of foreign trade. But I do wish to insist upon making clear a comparison between jeopardizing the vast domestic trade of the United States enjoyed to such an extraordinary degree by its own people and the possibilities of foreign trade, which in many directions are limited by the facts of our importation and experience. (Hearings, p. 398.)

I will also quote some extracts from the testimony of James A. Farrell, representing the Chamber of Commerce of the United States:

The organizations of the chamber of commerce have long adhered to the principle that there should be "reasonable protection for American industries subject to destructive competition from abroad and which are of benefit to any considerable section of the country." This, we think, should be the first consideration. Reciprocal tariff negotiations should be secondary to the first. (Hearings, p. 126.)

In closing, may I reiterate the three recommendations we have to make:

First, that in granting authority to make tariff changes in the interest of reciprocal tariff negotiations the Congress write into the law the definite limitation that no rate be lowered to a point

where American industry and agriculture shall be subjected to destructive foreign competition.

Second, that the flexible provisions of the tariff act be maintained, embodying a basic controlling formula laid down by the Congress, according to which shall be determined the adequate protective level at which individual tariff rates shall be set.

Third, that through a tariff-adjustment board, or other instrumentality, and in advance of such board making its recommendations to the President, there be full opportunity for American businesses likely to be affected by contemplated reciprocal tariff or other tariff changes to present testimony as to the incidence upon their respective enterprises of such changes. (Hearings, p. 140.)

Mr. TREADWAY. * * * You are not then in sympathy with the idea that has been expressed here of the possibility of doing away with some of our own industries here in order to get goods in from other countries?

Mr. FARRELL. No, sir. (Hearings, p. 149.)

There are many other statements of a similar nature. I could quote a lot more.

I could also quote what Secretary Wallace said, showing that he wants to keep down American products and not permit them to expand. Is that a good American policy?

Mr. Chairman, I represent an industrial district in New England. We have small industries. We ask for their continuation and expansion, and not for their contraction and destruction.

Mr. MAY. Are any of them exporters?

Mr. TREADWAY. I hope they are. May I say that we consume over 90 percent of our entire products in this country. This Congress, under the leadership of the Democratic Party, seems more interested in the small remainder of less than 10 percent than in the 90 percent. There is the real question.

Mr. SAMUEL B. HILL. Will the gentleman yield?

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

Mr. SAMUEL B. HILL. In view of the statements made by the gentleman from Massachusetts up to this time, may I ask if he favors expansion of our foreign trade?

Mr. TREADWAY. I do; but not at the expense of our domestic production. The gentleman cannot show me any way that we can reciprocate trade under the bill and not take it away from our local production. I have requested on this floor and at home of people who wanted tariff rates the information as to articles on which they wanted the rates changed. Secretary Hull talked to us about trade barriers; but when I interrogated him as to details and opportunities—nothing doing.

Mr. SAMUEL B. HILL. Will the gentleman tell us what his plan is for the expansion of our foreign trade?

Mr. TREADWAY. It we were put in authority, we certainly would not pass this bill.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that the N.R.A. is making it extremely difficult for small business?

Mr. TREADWAY. Yes. Even yesterday the paper contractors refused to bid on Government paper and would not allow the Government the previous price owing to the N.R.A. The two bidders, it happens, were both from the State of Massachusetts.

Mr. FITZPATRICK. What percentage of the products we consume in this country is imported?

Mr. TREADWAY. I can find that out, but I cannot give the gentleman the figure at this time.

Mr. SINCLAIR. About 8 percent.

Mr. TREADWAY. Probably less than 10 percent. We are a fairly good self-centered country except to the extent of articles that climatic conditions will not permit to be raised here. May I make reference to boards of trade, foreign agents, and so forth? May I read a telegram that I received since I have been on the floor? This is from Boston, signed by George L. Barnes, president of the Associated Industries of Massachusetts:

BOSTON, MASS., March 23, 1934.

HON. ALLEN T. TREADWAY,

House Office Building:

On behalf of industry of this State we protest vigorously the proposal to grant Executive authority to enter into trade agree-

ments that may profoundly affect all the industries of our State without an opportunity to know the character of the agreement proposed or to have it considered and discussed by the Senators from our State as all similar proposals in the past have been, as a part of the treaty power. We are deeply interested in promotion of foreign trade, but we are unwilling to risk our domestic markets in an exchange of which we have no knowledge and no opportunity to present and protect our employees or the investors in our industries. We believe the enactment of such authority would enormously multiply the already serious elements of uncertainty which our industries face. We, therefore, urge opposition to the measure in its present form or its amendment to assure that treaties negotiated in trade terms shall be offered to the Senate for examination before ratification.

GEORGE L. BARNES,
President Associated Industries of Massachusetts.

This is the kind of testimony I get from home. The Home Market Club, representing the industries of New England, is on record with very strong resolutions against this bill. I include at this point a resolution passed by that organization:

Resolution passed at a meeting of the Home Market Club, at Boston, Mass., March 14, 1934

Whereas the success of the National Industrial Control Act is based upon nationalism; and

Whereas the national economic situation is vastly improved; and Whereas industry is the predominant factor in developing employment; and

Whereas American producers, in seeking relief from destructive foreign competition, must proceed through section 3, paragraph (e), of the National Industrial Control Act; and

Whereas under the terms of the proposed reciprocal tariff legislation (H.R. 8430), importers and exporters would be granted greater advantages, in the nature of speedier relief, than American producers now enjoy: Be it

Resolved, therefore, That the Home Market Club is unalterably opposed to the theory advanced in H.R. 8430; that it cannot support a measure that delegates a power which, by the stroke of a pen, might readily be the means of wiping American industries out of existence; that if, in the final analysis, the Congress does transfer its constitutional legislative powers to the Executive, the Home Market Club requests that prior publication be made of all articles of American production entering into proposed reciprocal agreements and that the right of protest and review be reserved for American industry.

I also include a telegram I have just this afternoon received from the Manufacturers Association of Meriden, Conn., and also one from E. Kent Hubbard, of Hartford, Conn.:

MERIDEN, CONN., March 23, 1934.

HON. ALLEN T. TREADWAY,
House Office Building:

Meriden industry feels that H.R. 8430 is a distinct threat to continuance of manufacturing in this section and an unfair bartering of legislative power granted in Constitution. This bill can only increase unemployment in New England and hamper a recovery. As a New Englander we urge you to heed the pleas of a region that is already suffering under handicap, and request you to oppose reciprocal-tariff proposal.

MANUFACTURERS ASSOCIATION OF MERIDEN,
W. J. WILCOX, Secretary.

HARTFORD, CONN., March 23, 1934.

Congressman ALLEN T. TREADWAY,
Ways and Means Committee Hearing Room:

Had intended to make personal appearance H.R. 8430, which now is impossible. As Democrat and industrialist and as one vitally interested in recovery, have done everything possible to further the aims of the administration. However, no administration and no Government should so completely disregard section 8 of article 1 of the Constitution as to place in the hands of one man, however competent and trustworthy, the power of life and death over industry. It is not my intention to be intemperate in my statements, but I cannot conceive that the Congress, which directly represents the people of the country, would be willing by affirmative action to relieve itself of this sacred trust. Please do not confuse the proposal contained in 8430 with the entirely opposite idea of flexible provisions contained in the tariff act now in force.

E. KENT HUBBARD.

Mr. GIFFORD. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. GIFFORD. I hope the gentleman may have all the time he wants.

Mr. TREADWAY. In fairness to my colleagues I cannot take too much time.

Mr. GIFFORD. I think the gentleman should debate this matter fully.

How is it we can sell more goods to foreign countries that already owe us so much money? Are we willing to sell

them more goods, and how can they pay for them if we do sell them additional merchandise?

Mr. TREADWAY. A very distinguished economist was asked that question in the course of the hearings, Mr. Samuel Crowther.

Mr. GIFFORD. That is the reason I have asked the question.

Mr. TREADWAY. Mr. Crowther was asked the question whether or not the debts owed us were in any way involved, and he said they were intricately involved, and that you could not consider it otherwise than whether they were going to ship goods into this country to reduce their public debt or else, as they are now doing, only pay us a token of good will rather than even pay the interest they owe us.

Theoretically, Mr. Hull may be absolutely right that the public debts owed us are not involved, but as a Yankee proposition the gentleman from Cape Cod knows better, and the rest of us also.

Mr. SAMUEL B. HILL. Will the gentleman yield and explain how they are involved in this bill?

Mr. TREADWAY. Well, my dear friend, if you owed me \$10 and you shipped me some of those good Washington State or Oregon apples, that do not begin to be as good as our New England ones, and I buy them of you, do you think I am going to pay you in cash? I am going to charge it against your account just as sure as you ship me those apples or salmon or any other product you may have.

Mr. SAMUEL B. HILL. Just how can you charge that against my account?

Mr. TREADWAY. You would find out mighty quick if you owed me the price of them.

Mr. SAMUEL B. HILL. The transaction is between individuals and not between governments.

Mr. TREADWAY. Oh, well, the government is made up of individuals, and you need not think those boys across the ocean are going to deal with this Government any differently than their own people would deal individually.

Mr. SAMUEL B. HILL. Is there any legitimate objection to making it easier for those people to pay their debts through legitimate commerce?

Mr. TREADWAY. Yes; there is most serious objection if it affects American production, which it will, because it cannot help it. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield myself 5 minutes, and I shall ask not to be interrupted.

Mr. GIFFORD. May I simply suggest that the way Germany allows her nationals to pay their bills answers the question?

Mr. TREADWAY. Yes.

I now want to refer to the attitude of the Democratic Party on this question of flexible provisions of the tariff. On May 15, 1929, the subject was before the House, and the gentleman from Georgia, one of the ablest men we ever had on the Ways and Means Committee, made this statement, and I am quoting Mr. Crisp, at page 1349 of the RECORD:

Gentlemen, think what a potential power the power to make tariff rates would be in an election year—to let the President of the United States have the right to write a tariff bill. Stop and think about it. Do you think there would be any dearth of campaign contributions—

And so forth.

Then, during the same debate the present distinguished Chairman of the Ways and Means Committee said:

The fathers who framed the Constitution wisely, in my opinion, left to Congress the initiating and enacting of laws raising revenue—

And so forth.

He continued with the following observations on the centralization of power in the Executive:

In my opinion, we have gone a long way too far already in the centralization of power in the Executive head of the Government. The President of the United States is now Commander in Chief of the Army and Navy, and with the great concentration of power lodged in him, giving him indirect control over the railroads and the transportation system of the country through the Railroad Commission, control of the air communication by the Radio Commission, control of the navigable streams and water

power, control of the finances of the country through the Federal Reserve Board and Farm Loan Board, and now domination over agriculture through the proposed new Farm Board with a \$500,000,000 revolving fund, every dollar of which will be expended by appointees of the President, 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.

The gentleman was worried at that time over the centralization of power in the Executive, but as we all know now, he had not "seen nothin' yet."

Continuing, he said:

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

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.

Then the present Vice President of the United States, another distinguished member of the Ways and Means Committee at that time, said:

I want you all to turn over in your minds and see what it means for Congress, representing the people of America, to surrender its rights to levy taxes. Remember this, gentlemen, when the legislative body surrenders its tariff powers and obligations to the Executive—

What could be more definite than this?—

under our system of government, a majority can do that, but you can never recover them except by a two-thirds vote of the House and Senate—

And so forth.

Of course, these little statements, and others similar to them, do not bother the present Democratic majority a particle, although they are asking us to vote a greater power than they were unwilling to grant when the Republican Party was in power. The question is, Whose ox is being gored?

However, I want particularly to call the attention of the House to an item inserted in the RECORD of October 2, 1929, signed by these distinguished gentlemen, and I shall quote it. The signers are Furnifold M. Simmons, of North Carolina; Pat Harrison, of Mississippi; William H. King, of Utah; Walter F. George, of Georgia; David I. Walsh, of Massachusetts; Alben W. Barkley, of Kentucky; Elmer Thomas, of Oklahoma; and Tom Connally, of Texas. Every one of them, except the first one, Mr. Simmons, is still serving in another branch, and they are on record against a flexible provision less stringent than the one you are asked to vote on at the present time. The statement follows:

JOINT STATEMENT ISSUED BY DEMOCRATIC MEMBERS OF SENATE FINANCE COMMITTEE ATTACKING PRINCIPLE OF PERMITTING PRESIDENT TO PASS UPON TARIFF RATES

September 29, 1929, the eight Democratic members of the Senate Finance Committee issued a public statement in which they attacked the principle of permitting the President to pass upon tariff rates as being unconstitutional and a menace to the democratic form of government. The statement follows:

"A question of far-reaching consequence transcending considerations of party prompts us to issue a public statement in relation to the so-called 'flexible provisions' of the tariff bill now pending before the Senate.

"The question involved is one that in our opinion strikes at the very roots of constitutional government. It concerns the preservation unimpaired or the abandonment of the power of levying taxes by that branch of the Government which the forefathers agreed should alone be charged with that duty and responsibility.

"Whatever argument could be advanced during the war and immediately following for delegation to a degree of the taxing power to the Executive unquestionably no longer exists. To incorporate now in the law any recognition of a right of the Executive to impose taxes without the concurrence of the legislative branch is without justification.

"Authority in the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government, for which the independence of the country was attained and which was secured permanently in the Constitution.

"There is no issue here as to the integrity of any Executive who has had or may have extended to him the exercise of this power. The issue is one of taxation by one official, be he President or monarch, in contrast to taxation by the representatives of the people elected, intrusted exclusively with the power to seize the property of the citizen through taxation. If proof were needed that the danger which the forefathers foresaw is inherent in this issue, a mere casual inquiry into the methods employed, selfish influences used, sinister schemes and contrivances brought to bear, one need but examine the record.

"The principle is: Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible representatives of the people in the Congress, where public debate is held and a public record made of each official's conduct?

"The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny. Resistance to the impairment of this popular right has largely occasioned many of the wars and revolutions of the past.

"An issue of this importance should not be associated with the opinions or necessities of those interests, States, or sections that directly profit by some rate schedule in the body of the tariff act. With respect to the principle here at stake, any trading or log-rolling is especially unjustifiable and indefensible. Neither should we be unduly influenced by the attempt to divert attention from this momentous issue by condemnation of and emphasis upon the dilatory and unsatisfactory results of congressional procedure.

"No one seeks to prevent or in any way to interfere with the investigations and reports of the Tariff Commission in connection with emergency tariff legislation. The point is, we emphatically insist that final action and responsibility based on Tariff Commission reports shall be taken by the Congress.

"For the purpose of preventing apprehended congressional delay an amendment has been made providing for the submission of the reports to the Congress by the President, and, furthermore, an amendment will be presented strictly limiting action by the Congress to matters germane to the particular subject matter or rates recommended by the President after investigation by the Tariff Commission.

"We do not hesitate to say that if this extraordinary and what we believe to be unconstitutional authority passes now from the Congress, it is questionable if there will ever again be a tariff bill originated and enacted by the Congress.

"It is our solemn judgment that hereafter all taxation through the tariff, and regulation of commerce thereby, will be made by the Executive. It is the inherent tendency of this tariff-changing device and the apparently conscious purpose of its proponents to use it to keep the tariff out of Congress where it is such an embarrassing business, as everyknow knows, to the party that profits politically by it. So also it will be of distinct advantage to the interests that are the direct beneficiaries of the tariff.

"In an age where there has been a steady tendency to rob the individual citizen of his power and influence in his Government through bureaucracy, we deem it our duty to vigorously protest any further encroachments in this direction, and especially with respect to taxation.

"In the hope of arousing the people, regardless of party, to take a broad, a public view of this important public question, we make this appeal.

"FURNIFOLD M. SIMMONS, of North Carolina.

"PAT HARRISON, of Mississippi.

"WILLIAM H. KING, of Utah.

"WALTER F. GEORGE, of Georgia.

"DAVID I. WALSH, of Massachusetts.

"ALBEN W. BARKLEY, of Kentucky.

"ELMER THOMAS, of Oklahoma.

"TOM CONNALLY, of Texas."

Now, one other quotation—on May 19, 1932, the distinguished Secretary of State, Mr. Hull, then a member of the other legislative body, said:

I am unalterably opposed to section 315 of the tariff act and demand its speedy repeal. I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision, with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic King.

How are these distinguished gentlemen going to square themselves in supporting or voting for this bill?

Mr. Chairman, so far as the constitutionality of the bill is concerned, the report of the committee asserts that it "goes no further than many previous enactments", and in fact "follows a current of legislation" enacted from the earliest times. With this statement I cannot agree. Anyone carefully analyzing the precedents will at once see that there is a marked and fundamental difference between those prior acts to which reference is made and what is proposed by the bill.

The Supreme Court has many times held that under the division of governmental powers outlined by the Constitution, it is a breach of that instrument for Congress to delegate its legislative powers to the Executive. The question, then, in every case is whether legislative powers are conferred.

What does the bill provide? It authorizes the President, whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States, to enter into reciprocal trade agreements with foreign governments and to proclaim such modifications of existing duties, and so forth, as are required or appropriate to carry out any such agreement entered into by him. It is further provided that no proclamation shall be made increasing or decreasing an existing duty by more than 50 percent or transferring any article between the dutiable and free lists.

The proponents of the bill allege that this language lays down a yardstick governing the President in carrying out the declared purpose of Congress to expand the export trade of the United States, and that therefore his power is administrative and not legislative. It is said that this supposed rule is similar to that provided in section 336 of the present tariff law, commonly known as "the flexible tariff provision." But let us compare the two.

Under the flexible tariff provisions it is provided that, in order to put into force and effect the policy of Congress set forth in the tariff act, the Tariff Commission, upon request of the President, upon resolution of either or both Houses of Congress, upon its own motion, or upon the request of any interested party when there is good and sufficient reason therefor, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article and shall report its findings to the President. If the Commission finds that the duties expressly fixed by statute do not equal the differences in such costs of production, it is required to specify in its report such increases or decreases in rates as it finds to be necessary for that purpose. Upon receipt of the report of the Commission the President is required to approve the rates of duty specified therein if in his judgment such rates of duty are shown by the investigation of the Commission to be necessary to equalize the differences in the costs of production.

Thus, in effect, Congress declares in section 336 that the tariff rates shall be x minus y , with x equaling the domestic cost of goods and y the foreign cost. Under these circumstances Congress writes the law when it lays down this legislative rule, and the President merely carries it into execution. Such was the finding of the Supreme Court in the case of *J. W. Hampton, Jr. & Co. v. the United States* (276 U.S. 394), in which the Court said:

The same principle that permits Congress to exercise its rate-making power in interstate commerce, by declaring the rule which shall prevail in the legislative fixing of rates and enables it to remit to a rate-making body created in accordance with its provisions the fixing of such rates, justifies a similar provision for the fixing of customs duties on imported merchandise.

The above language was quoted by the committee in its report, but it is significant that the report omitted the language which immediately followed. The Court continued:

If Congress shall lay down by legislative act an intelligible principle to which the person, or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power.

It becomes necessary, therefore, to inquire whether under the present bill any intelligible principle is laid down to which the President, in fixing tariff rates, is directed to conform. The bill provides that the President shall first find that existing duties are unduly burdening and restricting the foreign trade of the United States. But when does a duty unduly burden foreign trade? Does Congress lay down any formula to govern the President in determining this question? Is it even such a matter as can be determined as a fact, and might not opinions differ as to what constituted an undue burden? In other words, does not the President have complete discretion in determining this mat-

ter? And in any event is not his determination of this question merely a condition precedent to the exercise of his real powers under the bill, namely, to enter into reciprocal trade agreements and to modify existing rates to conform to such agreements?

Now, what rule does Congress lay down in the bill to guide the President in fixing rates? Does it provide that such rates shall be computed according to a definite legislative formula, similar to that laid down in the flexible-tariff provisions? No. It merely authorizes him to proclaim such modifications in existing duties as are required or appropriate to carry out the agreements which he has entered into with foreign countries. We may ask, then, what legislative rule governs the President in his negotiation of those agreements? Again we find no policy laid down. In making concessions to foreign countries, and in selecting the article to be used as a basis for bargaining, the President is governed only by his own discretion. The finding he must make that the existing tariff rates are unduly burdening our foreign trade is only a condition precedent to the exercise of that discretion. Similarly, the provision that he may not change an existing rate by more than 50 percent is only a limit to his discretion.

It is noteworthy that the advocates of the bill do not rest their argument in favor of its constitutionality wholly upon its alleged analogy to the flexible provisions. They also cite as alleged precedents many previous acts of Congress running back as far as 1794. It so happens that the act of 1794 authorized President Washington to lay an embargo on all ships and vessels in the ports of the United States whenever in his opinion the public safety required. However, that act is no precedent for the pending bill. The distinction between such a delegation of authority and that contained in the bill has been well stated by Judge Ranney, of the Ohio Supreme Court, in a case which has often been cited with approval by the United States Supreme Court (*C. W. & Z. R.R. Co. v. Clinton County Commissioners*, 1 Ohio State, 88). In that case, in explaining the difference between delegating legislative authority and administrative authority, Judge Ranney said:

The true distinction is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution to be exercised under and in pursuance of the law.

Applying this holding to the act of 1794, the President's discretion there was only as to the execution of the law, and was not, therefore, a prohibited delegation of legislative authority. But in applying the holding to the present bill, we find that the President's discretion goes both to the making of the law and its execution. This difference the proponents of the bill either ignore or fail to perceive.

The reciprocity provisions of the McKinley Tariff Act of 1890 are also cited as an alleged precedent for the delegation of authority contained in the present bill. However, there is absolutely no analogy between the two measures. Under the 1890 act, Congress placed sugar, molasses, coffee, tea, and hides upon the free list, but authorized the President, if he found that any country producing and exporting any such articles to the United States imposed unequal or unreasonable duties on the products of this country, to suspend the free entry of such articles and impose thereon certain rates of duty which were fixed by Congress in the act.

In upholding the constitutionality of this law in the case of *Field v. Clark* (143 U.S. 649), the Supreme Court pointed out that the legislative authority of Congress was exercised when it declared that the free entry of the articles was to be suspended, and certain specified duties imposed upon a certain-named contingency.

What the President was required to do—

Said the Court—

was simply in the execution of the act of Congress. It was not the making of law. He was the mere agent of the law-making department to ascertain and declare the event upon which its expressed will was to take effect. It was part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of sugar, molasses,

coffee, tea, and hides from particular countries should be suspended in a given contingency and that in case of such suspension certain duties should be imposed.

Applying this decision to the present bill, it must be evident to anyone that the 1890 act is not to be compared with the delegation of authority which is here proposed. In that act Congress fixed in advance the rates of duty which were to be put into effect upon the happening of a certain contingency. Under the bill, the President himself fixes the rates.

Similar provisions in the act of 1897 are also cited as a precedent for the bill, but the same distinction may be made as in the case of the act of 1890. The act of 1897 also authorized the President to negotiate reciprocal tariff treaties with foreign countries by granting reductions of duty of not more than 20 percent in return for equivalent concessions by such countries, but it was provided in the act that before becoming operative any such treaties must first have been approved by both the House and Senate. Hence this provision of the act cannot be cited as a precedent for delegating tariff-making authority to the President.

The Tariff Act of 1909 was also referred to in the committee's report as a precedent for the present bill. Under that act Congress set up two schedules of duties, a maximum and a minimum, and made the maximum schedule of general application. At the same time it gave the President authority to put the minimum schedule in effect with respect to any country which he found did not discriminate against the products of this country. Here, again, the President had no power to fix rates of duty such as he is given under the pending bill.

So far as the reciprocity provisions of the Tariff Act of 1913 are concerned, they gave the President no legislative authority since any agreements he might have negotiated thereunder were required to be submitted to both the House and Senate for approval before becoming operative.

Now, as to sections 337 and 338 of the present tariff law, which have been mentioned as delegations of tariff-making authority to the President. What are the facts? Under section 337 the President is authorized, whenever the existence of unfair methods of competition or unfair acts in the importation of articles into the United States shall be established to his satisfaction by the Tariff Commission, to direct that the articles concerned in such unfair methods or acts shall be excluded from entry. To assist the President in making his finding the Tariff Commission is authorized and directed to investigate any alleged unfair methods or acts and to conduct public hearings. Provision is also made for judicial appeal to the United States Court of Customs and Patent Appeals. It will be noted, however, that the President exercises no legislative power under these provisions since he is simply authorized to put into effect the declared legislative policy of Congress that certain articles shall be excluded from entry upon the finding by him that a certain state of facts exists.

Under section 338 it is provided that the President shall by proclamation specify and declare "new or additional" rates of duty, as thereafter provided, upon foreign articles when he finds as a fact that the country of exportation imposes certain discriminations against the commerce of the United States. It is also provided that the President may exclude foreign articles from entry upon the finding by him of certain other foreign discriminations. In fixing the amounts of the new or additional duties which are provided for, the President is bound by the rule therein laid down by Congress that such duties shall offset the burden or disadvantage to our commerce in the foreign country, or the benefit to a third country. In other words, he does not merely exercise his discretion but applies a definite yardstick laid down by Congress. Under the bill no yardstick for fixing rates is provided.

So far as the precedents are concerned, then, it may be said that Congress has never granted a President such complete authority and discretion over the tariff as does the present bill. In no case has Congress given the President the authority to enter into executive agreements with foreign

relations relative to the tariff without first laying down in advance the precise concessions or retaliations which he might use as a basis for bargaining, or else requiring that any agreement before becoming operative must be ratified by both the House and Senate. In no case has Congress given the President discretionary authority in rate making.

The present bill does not grant authority to the President merely to put into effect a policy of Congress under a rule of conduct laid down by it in advance. On the contrary, it grants him the authority to make his own rule by which tariff rates are to be fixed and commerce with foreign countries carried on—a rule determined by private agreement with foreign countries, and which may be put into effect at the will of the Executive, transformed into a lawmaker. No European dictator has greater power to affect the future life of his subjects than is thus given to the President of the United States.

It has long been said that the protective tariff never closed a domestic factory nor threw a worker out of employment. If the Democratic proposal to tear down the tariff would create jobs for our unemployed, it might be justified. However, such a program is not calculated to open up possibilities for employment but rather to reduce them. The price which we have to pay to sell more goods abroad is too great to result in any net benefit to this country. We have everything to lose and nothing to gain. Our rich domestic market, the greatest in the world, would be sacrificed in order to enlarge our relatively small foreign trade. For a chance to increase our present export trade of one and one half billion dollars per year we are asked to throw open our home market to foreign competition—a market which in 1929 produced a national income of approximately \$90,000,000,000.

Those who are advocating the reciprocity proposal may try to say that at the present time American workers have nothing to lose by being thrown into competition with labor in other countries. Nothing could be further from the truth. In spite of the fact that millions are out of employment, the wage scale of those who still have jobs is above that of any other country in the world; and when prosperity returns, as some day it must, the men who are put back to work will receive this higher wage scale, provided, in the meantime, the maintenance of the American standard of living has not been made impossible as a result of destroying the protective tariff system. But in any event, how can buying more textiles from the United Kingdom reopen our own textile plants? How can buying more steel goods from Germany give employment to our own steel workers? How can buying more wheat, milk, and other agricultural products from Canada help our American farmers? How can buying more meats from Argentina be of any assistance to our own cattle raisers? How can buying more shoes from Czechoslovakia put our own shoe factories back on the road to prosperity? How can buying more fruits and vegetables from Caribbean countries put any more money in the pockets of our own producers of these foodstuffs? My friends, such a question answers itself.

In closing, I would just like to quote an old tariff slogan, which I think is particularly apropos of the present bill:

Lower tariff means more imported goods.
More imported goods means less goods made in the U.S.A.
Less goods made in U.S.A. means less work.
Less work means more unemployment.

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

Mr. POLK. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record and include two brief excerpts from the Commissioner of Education.

The CHAIRMAN. Without objection, it is so ordered.

Mr. POLK. Mr. Speaker, I have asked for time today to call the attention of the House to the bill (H.R. 7059) introduced in the House by Mr. ELLZEY of Mississippi and by Senator GEORGE in the Senate.

The purpose of this legislation is to continue Federal aid for the teaching of vocational agriculture, home economics, and trades and industries education as has been carried on

under the so-called "George-Reed Act" which expires this year. This bill was reported favorably by the Committee on Education on March 2, and I hope we may have the opportunity of voting on it within the near future.

I am particularly interested in this proposed legislation because I know something of the educational work for which this money is used. This proposed legislation provides for an appropriation, for a period of 3 years, of the sum of \$1,000,000 for each of the three subjects—agriculture, home economics, and trades and industries.

As is pointed out by the Committee on Education in the report on this bill, appropriations for vocational education are carried under two heads. First, under the permanent legislation of the Smith-Hughes Act, which was passed in 1917, and, second, under the George-Reed Act, which was passed in 1929. This latter act was enacted for a period of 4 years and thus expires this year. The legislation proposed in H.R. 7059 is for the purpose of continuing the George-Reed Act for another period of 3 years.

For some reason which I am unable to explain the Federal appropriations for vocational education have been severely cut during the past 2 or 3 years below the amounts authorized by Congress under the George-Reed Act.

For example, this act specifically appropriated \$1,500,000 for vocational education in 1932 and \$2,000,000 for the same purpose in 1933, while actually only \$1,483,000 was made available in 1932 and \$1,275,000 in 1933. In addition to this, the permanent appropriations for vocational education received the same cut which was given to most other appropriations by the so-called "Economy Act" of last year.

In his annual report for 1933 the Commissioner of Education states, with reference to the reduction in Federal, State, and local revenues available for vocational education, that:

In this year, as compared with the year preceding, some \$3,276,000 less money was invested in these schools. Opportunities offered for vocational training were correspondingly reduced, and funds were not available for promoting vocational education in new areas, however urgent the need might be in such areas for widening the range of vocational training to embrace new occupations.

In the same report, on page 10, the Commissioner has summarized the effects which will result if the George-Reed funds should be discontinued; in other words, the effects which will result if the George-Ellzey bill (H.R. 7059) is not passed before Congress adjourns. I quote:

State directors indicate the following consequences as inevitable if the George-Reed funds should be discontinued: (1) That many departments of vocational agriculture and a majority, if not in some States all, departments of home economics, will be eliminated; (2) that State funds already appropriated and contingent on the receipt of Federal funds will of necessity lapse; (3) that it will not be possible to utilize buildings and equipment specially provided for vocational departments of agriculture and home economics representing large expenditures of public funds; (4) that elimination of vocational work will result in still further overloading of academic courses, with the consequent impairment of the work of the entire school system; (5) that rural communities will be even more severely taxed than they are now to meet the increased load if Federal support is withdrawn; (6) that contributions made by vocational departments under the George-Reed Act to relief and recovery programs in farming and home making will be abandoned; (7) that States will be unable to provide vocational training for large numbers of the unemployed; (8) that unemployment will be increased by discharge of vocational teachers now working under the act; and (9) that the morale of the State and local personnel will be seriously injured.

During the past year States and local communities have experienced serious embarrassment as a result of the reductions in the amount of Federal funds made available below the amounts originally appropriated or authorized by Congress to be appropriated for 1933. They have been further embarrassed by the uncertainty attaching to these appropriations, which has extended up to the beginning and even after the beginning of the fiscal year of the State or local community. Appropriations by the Vocational Education Act of 1917 for allotment to the States for the fiscal year beginning July 1, 1932, were reduced by the Economy Act of June 30, 1932, from \$7,157,977.62 to \$6,442,179.81, and the appropriation under the George-Reed Act for this same fiscal year was reduced by the Independent Offices Appropriation Act of June 30, 1932, by \$500,000 below the amount authorized to be appropriated for this year.

In this connection it must be remembered that all Federal funds for vocational education are matched by State and

local money, and the Commissioner has pointed out in his report that during last year the States and local communities expended \$2.90 for each dollar of Federal aid for vocational education. This does not include expenditures for plant and equipment of vocational schools, for which no Federal money can be used.

The people throughout the entire country have a great interest in this problem. In the first place, local boards of education have invested considerable sums of money in plant and equipment of vocational schools under the assurance that this Federal aid for vocational education will be continued. Second, all those who are familiar with this type of educational work appreciate its value to the boys and girls it is serving and want it to be continued.

At this point I wish to insert in the RECORD a table showing the enrollment in vocational schools by years and by States.

Enrollment in federally aided schools or classes by years 1918 to 1933, and by States for the year ended June 30, 1933¹

Year or State	Total	In agricultural schools and classes	In trade and industrial schools and classes	In home economics schools and classes
Total:				
1918 ¹	1,031,571	264,105	489,900	277,566
1919	1,077,844	252,199	560,150	265,495
1920	981,882	188,311	618,604	174,967
1921	858,456	144,901	537,611	175,944
1922	753,418	109,528	466,685	177,205
1923	652,594	85,984	409,843	156,767
1924	475,828	60,236	296,884	118,708
1925	265,058	31,301	184,819	48,938
1926	164,183	15,450	117,934	30,799
1933 ¹				
Alabama	21,286	7,722	5,148	8,416
Arizona	3,503	784	368	2,351
Arkansas	14,903	9,234	1,132	4,537
California	66,704	8,707	37,033	20,964
Colorado	11,713	2,031	5,050	4,632
Connecticut	8,968	621	6,613	1,734
Delaware	1,943	274	1,326	343
Florida	12,329	3,731	4,787	3,811
Georgia	29,717	9,862	9,940	9,915
Idaho	2,881	1,462	605	814
Illinois	30,145	8,679	11,252	10,214
Indiana	20,652	4,743	10,431	5,478
Iowa	15,389	9,399	3,519	2,470
Kansas	13,883	2,719	3,030	8,139
Kentucky	10,348	4,999	2,806	2,543
Louisiana	19,317	9,399	4,244	5,674
Maine	1,868	780	294	814
Maryland	6,039	1,328	3,849	862
Massachusetts	44,164	1,182	29,609	13,373
Michigan	39,966	13,129	18,711	8,126
Minnesota	15,938	4,910	7,163	3,865
Mississippi	20,933	14,826	2,294	3,803
Missouri	18,166	6,530	6,614	4,722
Montana	3,838	1,065	1,362	1,411
Nebraska	15,760	3,068	2,439	10,253
Nevada	854	181	449	224
New Hampshire	1,105	335	510	260
New Jersey	23,438	1,318	20,065	2,055
New Mexico	2,363	683	179	1,501
New York	159,984	6,189	146,256	7,539
North Carolina	28,216	13,499	5,984	8,733
North Dakota	4,364	1,495	568	2,301
Ohio	33,911	10,732	14,342	8,837
Oklahoma	25,948	6,420	4,278	15,250
Oregon	8,125	2,200	2,903	3,022
Pennsylvania	56,153	5,820	39,008	11,325
Rhode Island	2,711	617	1,534	560
South Carolina	29,142	15,967	5,377	7,798
South Dakota	4,148	1,637	198	2,313
Tennessee	29,074	13,262	4,635	10,977
Texas	60,802	23,246	9,669	17,887
Utah	7,375	2,283	1,362	3,730
Vermont	820	326	305	189
Virginia	24,375	10,979	9,711	3,685
Washington	8,127	2,753	3,868	1,506
West Virginia	5,169	1,291	2,181	1,697
Wisconsin	63,225	7,108	34,831	21,286
Wyoming	2,318	1,223	508	587
Hawaii	4,471	847	728	2,896
Puerto Rico	4,946	2,230	612	2,104

¹ Figures for 1933 are provisional, subject to final audit of State reports.

In the district of Ohio that I have the honor to represent, the value of this vocational education work is well recognized. Because of the far-sighted interest of the citizens of Hillsboro, Ohio, the first Smith-Hughes vocational agriculture department in Ohio was established in the Hillsboro High School in 1918. In the same county, at Greenfield, there is—what is considered to be—one of the finest and best equipped vocational departments in the United States.

Through money provided by a distinguished and public-spirited citizen of Greenfield a completely equipped vocational building was erected some years ago. This is a part of the world famous Edward Lee McClain High School, which is one of the finest institutions of learning to be found anywhere.

There are 10 or 12 other vocational agriculture and home economics schools in my district, in each of which an equally high type of educational work is being carried on.

Without going into minute details, I wish to speak briefly with reference to the character of the teaching in the so-called "Smith-Hughes schools."

It so happened when I attended college some years ago at Ohio State University that I enrolled in the teacher-training course in vocational agriculture, and upon my graduation I was granted a certificate to teach vocational agriculture, and while I have never taught this subject, for 8 years I was a teacher and high-school principal in two schools, where vocational agriculture and home economics were taught. Consequently I know something of the character of the educational work in the vocational-education departments of our high schools.

I believe there is no type of teaching of such a high degree of efficiency as that carried on in the vocational departments of our high schools. The teachers are particularly well trained for their work. They are required to be college graduates with a special course of training for this type of work. The vocational teachers are employed for the entire year with 1 month's vacation. Under this plan, they are able to exert valuable influence as community leaders during the time when the public schools are not in session.

The recitation periods in vocational courses are usually 90 minutes in length, which is double the usual high-school recitation period. Because of these long recitation periods it is possible to combine laboratory instruction with the information secured from textbooks, and consequently much more rapid progress is made by the students than under the usual procedure.

In addition, each boy who studies vocational agriculture is required to complete successfully a satisfactory farm project in the subject he is studying before he receives his credit for that subject. For example, if a boy is studying farm crops, he would be required to have set aside for him by his father, or some other farmer, a tract of land varying in size according to the type of crop. On this land the boy, under the supervision of the teacher of vocational agriculture, is required to plan for the growing of the crop, which is to be his home project. The boy must do at least a part of each of the different types of work required on the crop being grown.

On many projects the boys do practically all of this work.

Complete records are kept and a detailed report is made at the end of the year showing the profit or loss on the project. In most cases there is an agreement that the boy shall have for his own any profit derived from his project. In this way there is aroused an additional incentive to do good work. I know of many instances in vocational agriculture where the boys have, through their experience with their home projects, been able to suggest worth-while improvements in the management of their home farms.

In vocational home economics the high-school girls carry out similar home projects in cooking and sewing.

In fact, this vocational-education work is the most practical type of high-school training we have. It serves those boys and girls who will not have the opportunity of going to college and gives them a broad, practical training for their life work.

For the reason that practically all of the vocational agricultural schools and most of the vocational home economic schools are located in village or rural high schools, the funds for which are primarily derived from taxation on farm land, Federal aid for the payment of the salaries of these vocational teachers is absolutely necessary.

The same problem holds true with reference to the trades and industries vocational courses which are in most instances located in industrial centers, which are also in equal

need of Federal aid for the payment of the salaries of their vocational teachers.

As I have endeavored to outline in the brief time allotted to me, this is an important and an urgent problem, and I hope this bill will soon be passed in order that this necessary relief may be granted.

Mr. DOUGHTON. Mr. Chairman, I yield to the gentleman from New York [Mr. CULLEN] 10 minutes.

Mr. CULLEN. Mr. Chairman, ladies and gentlemen, we have just listened to a good Republican campaign speech, the best Republican campaign speech I ever listened to. But the gentleman from Massachusetts did not undertake to explain the real purposes of this bill. He gave us a lot of quotations, and when he was asked about the speech of Mr. Mills at Topeka, he ran away to cover and said that Mills was not an official. I will tell you what Mills said, and he was an orthodox Republican.

Mr. Chairman and ladies and gentlemen, I think the statement of the gentleman from North Carolina [Mr. DOUGHTON], Chairman of the Committee on Ways and Means of the House, covered the explanation of this bill, and most thoroughly so. I do not believe in coming upon the floor and making a campaign speech. I believe in discussing legislation. When I make a campaign speech I will go to a hall in my district and talk directly to the people.

Mr. TREADWAY. That is the way I do.

Mr. CULLEN. I will talk directly to the people in a hall or from the back of a truck.

Mr. TREADWAY. That is the way I do, especially from the back of the trucks.

Mr. CULLEN. This bill should be properly named "a bill for economic recovery." That is what the title of the bill should be. Of course, it has to have a tariff flavor. There is nothing in it about that, but my dear friends on the other side—and they are all friends of mine—are in that state of mind that when you discuss the tariff you are stirring up a hornet's nest. They have gone along in that line so many years that the very minute you begin to discuss the tariff they become alarmed and say, "No, no; you must not go into that."

What does this bill do? Under our present laws Congress fixes the tariff. There is no question about that. The Tariff Commission makes minor adjustments. That means that Congress goes in for trading back and forth among the various sections of the country when they fix the duty on imports.

Now, this adequately explains why the American tariffs have advanced to the present unparalleled level. We know that and you know it. Furthermore, it indicates to a great extent why the American exports have decreased from \$488,000,000 in January 1929 to \$120,589,000 in January 1933. It is true that in January 1934 it was \$172,000,000.

Does it not seem obvious that if we do not buy from other countries we cannot sell to other countries?

If it takes Congress a whole session to change duties on imports, our chances in the world markets against countries whose Executives can change tariff duties over night are very slim, and there are 48 countries in the world where the power is lodged in the executives to change tariff duties over night. That was done here a couple of years ago in Canada. An Order in Council changed the tariff duty over night and raised a barrier against our manufacturing interests here. The gentleman knows that very well, and we are not denying what the President wants. What the President wants is the power to change tariff duties up or down within a range of 50 percent, without asking Congress about it. That is what he is asking for and we are acknowledging that. That is something new. It comes along under the new deal which has been so successfully going along for the past year. Thus he should be able to make trade agreements profitably to both sides. Then, of course, there is the usual cry about the President seeking to usurp the powers of Congress, and yet the average school-boy knows that if we do give him the power we always can take it away. It seems so simple and elementary—and I see my friend SNELL laughing at that.

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

Mr. CULLEN. Always to the gentleman from New York.

Mr. SNELL. The gentleman says he sees his friend SNELL laughing at that. I am smiling at the gentleman's idea of how easy it would be to take the power away, when I realize how hard it would be to get two thirds vote in this House to override a veto of the President.

Mr. CULLEN. Oh, I do not think so. I might add also that the delegation of such power is nothing new. It has always been customary to grant the President certain powers in the consideration of all tariff bills.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. Yes.

Mrs. ROGERS of Massachusetts. What if we should not be in session for 6 months? In that event, Congress could not act for 6 months, and during that time the President could do as he pleased.

Mr. CULLEN. Oh, the other 6 months would not be so long to wait when probably he would be doing good for the country generally. Personally, I should like to see the President have such power, or at least long enough to let him go after all of the foreign trade that he thinks he can get. That is what I think about it.

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

Mr. CULLEN. Not just now. It is my sincere conviction that this would help solve our problems and our tariff problem to a very great extent. Then there is this other thought. The President represents the United States as a whole, and in such a capacity is the most influential Chief Executive in the world. What are the people of the country looking for today? They are looking for remedial action in the present world crisis. Hence the reason for having Congress confer upon the President extraordinary powers and authority not today inherent in his great office, and Congress is doing this because Congress believes in him; and I have no patience with that kind of criticism, whether it is too much power to grant the President. Are we a bit afraid to give the President of the United States that power? Not the present President of the United States, if I know anything about it—and I know him and have known him for some time. I worked with him in the State Senate of New York, and I know that power is safe in his hands because he will not act indiscreetly.

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

Mr. CULLEN. Yes.

Mr. FOCHT. Will not the whole matter resolve itself into a question of what his tendencies are with respect to tariff or free trade or a tariff for revenue only? What are his tendencies?

Mr. CULLEN. Oh, I think the gentleman is getting back to the old Democratic principle of tariff for revenue only, and the Republican principle of protection for American industry.

Mr. FOCHT. I am getting back to Andrew Jackson and Thomas Jefferson.

Mr. CULLEN. But that has no bearing whatever on this subject.

Mr. FOCHT. They would never submit a proposition like this.

Mr. CULLEN. No; because this is new, and this is what the people want. They want to be pulled out of the hole they are in, and we have a man in the White House who will do it.

Mr. FOCHT. The gentleman just told us about the 50-percent flexibility under Mr. Hoover.

Mr. CULLEN. Yes; but he never exercised it.

Mr. FOCHT. I asked the gentleman whether the present President would exercise it, and what are his tendencies anyhow. Is he for a protective tariff or is he one of these tariff-for-revenue-only men?

Mr. CULLEN. The gentleman will find out sooner or later. I refuse to yield any more.

Mr. FOCHT. The gentleman will find that it resolves itself into that question.

Mr. CULLEN. I refuse to yield. I want to tell something now about a little speech that was delivered in Topeka, Kans. I do not know how this is going to sound, but the story was not really told in the opening of the debate.

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

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. CULLEN. If there was one man more than another that served in this Congress that I had great admiration for, irrespective of political affiliations, it was Mr. Ogden Mills. I consider him a very able citizen and a very energetic one. He was a man who applied himself wonderfully to his work here, just as he did in the legislative body in the State of New York, where I first became acquainted with him, and as I afterward knew him as Secretary of the Treasury.

I do not know of a better Republican in the United States than Ogden Mills. He is as good a Republican with his party and its organization as I am a Democrat with my party and its organization. On his way out to the coast a few months ago he stopped off at Topeka, Kans., and he delivered a speech. I am quoting him now, not from my memory.

Let me quote from a speech delivered by our former distinguished colleague and former Secretary of the Treasury, Hon. Ogden Mills, during a visit to Topeka, Kans., several months ago:

I prefer to turn my attention to the possibilities, amongst others, of restoring lost markets and the stimulation of increased consumption, not only through the restoration of purchasing power at home but through the promotion of a greater prosperity and a higher standard of living the world over. Granted that the difficulties are enormous and that much time and patience will be required, this is even more true of the self-containment program.

What was the self-containment program? The program you have been operating under for a number of years under our own form of government.

We will have to abandon the present policy of isolation and intense nationalism and, to some extent, modify our recent tariff practices.

What was he sounding then? The Smoot-Hawley law, I take it.

This may sound strange, coming from an orthodox Republican—

And this is the statement, quoting him—

but I have never understood that a sound system of protection based on the difference of the cost of production at home and abroad, if intelligently applied, means the erection of impossible tariff barriers, the destruction of our commerce with the rest of the world, and the sacrifice of the efficient farmer and to save the inefficient manufacturer.

That is Congressman Mills. I have a great deal of respect for him and his judgment.

Mr. McCORMACK. Will the gentleman yield?

Mr. CULLEN. I yield.

Mr. McCORMACK. And that is in contrast with the position taken by the 10 Republican colleagues on the Committee on Ways and Means, when practically every one of them admitted in public hearing that they stood for the complete economic isolation of the United States?

Mr. CULLEN. There is no question about it. They voted for it. They went on record for it.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. CULLEN. Yes; I yield.

Mr. MARTIN of Massachusetts. Will the gentleman tell the House what duties his party has lowered since it has been in control of the Government?

Mr. CULLEN. We have only been in power since 1932.

Mr. MARTIN of Massachusetts. Well, what do you propose?

Mr. CULLEN. We are starting.

Mr. MARTIN of Massachusetts. What do you propose?

Mr. CULLEN. We will let you know later. [Laughter.]

Mr. MILLARD. Will the gentleman yield for a question?

Mr. CULLEN. That is what you are trying to find out, but we will let you know later. You will hear it with compound interest. I refuse to yield further, Mr. Chairman.

Mr. MILLARD. Will the gentleman yield?

Mr. CULLEN. I have them on the anxious seat, and I want to keep them there.

Of course, other Republicans may oppose the proposed tariff policy, but the President of the United States today has asked Congress to permit him to do what Mr. Mills declared in his Topeka speech would save us from an all-around lowering of the standards of living.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FOCHT. Will the gentleman allow me to ask him a question?

Mr. CULLEN. Pardon me. Not now. Wait until you hear this one.

Then, again, let us see what Chairman Robert L. O'Brien, of the United States Tariff Commission, has to say in regard to the proposed legislation. Nobody will accuse him of being a Democrat. He is as good a Republican as I know in the country; but what did he say?

When he appeared at the hearings before the Ways and Means Committee, he warmly gave his endorsement to the President's recommendation that authority be given the President to change existing duties as much as 50 percent in order to facilitate the negotiation of the reciprocal trade agreements which would help to revive our lost foreign trade. His only criticism about this bill that we are considering now is that the plan as embodied in the bill before Congress does not go far enough.

What do you think of that for a Republican colleague?

In its present form it prohibits the transfer of any articles from the dutiable to the free list and vice versa. Mr. O'Brien, Chairman of the Tariff Commission, would give the President power to do this, and it would enable him to bargain on better terms, for example, with Japan and Brazil, whose principal exports to this country—namely, silk and coffee—are at present on the free list. Mr. O'Brien is going far beyond the bill itself, and expressed his firm belief that we ought to resort to a more sensible base on tariffs.

Mr. McCORMACK. Will the gentleman yield again?

Mr. CULLEN. I yield.

Mr. McCORMACK. Mr. O'Brien is former editor of the Boston Herald, the outstanding and strongest Republican organ in New England.

Mr. CULLEN. Oh, there is no question about it. I have known the gentleman for years. He is one of the greatest and biggest Republicans in his party and one of the outstanding men of the country, so far as that goes.

Mr. COCHRAN of Pennsylvania. Will the gentleman yield?

Mr. CULLEN. I yield.

Mr. COCHRAN of Pennsylvania. I should like to quote a few lines of Mr. O'Brien's testimony.

Mr. CULLEN. After I have finished in regard to Mr. O'Brien. Perhaps I have here what the gentleman wants.

Mr. COCHRAN of Pennsylvania. Will you yield to me then?

Mr. CULLEN. Yes.

Mr. McCORMACK. Will the gentleman yield for another observation?

Mr. CULLEN. I yield.

Mr. McCORMACK. Mr. O'Brien was appointed by President Hoover, and he is also a resident of Massachusetts.

Mr. CULLEN. Of course.

Mr. TREADWAY. Will the gentleman yield?

Mr. CULLEN. I yield.

Mr. TREADWAY. I do not want to get involved in a discussion with reference to one of my best friends, but in all fairness the gentleman ought to say that Mr. O'Brien today holds his appointment from President Roosevelt.

Mr. CULLEN. Originally received from President Hoover.

Mr. McCORMACK. But my colleague from Massachusetts did not complete the picture.

Mr. SAMUEL B. HILL. He is a hold-over.

Mr. TREADWAY. I beg the gentleman's pardon; he was appointed by President Roosevelt and his first position was under President Hoover.

Mr. COCHRAN of Pennsylvania. The testimony of Mr. O'Brien which I desire to quote is particularly applicable at this point, if the gentleman will yield. I quote from Mr. O'Brien's testimony, page 73, as possibly bearing upon the change of his views. He there testified:

The President appoints the members of the Tariff Commission. Somebody said yesterday there was a bipartisan phase to it, and of course, there is; but any President can pick out men from the opposite party whose views are identical with his own. Next, it may be assumed that any man who is holding a position desires to be reappointed to it; and I say that the present Tariff Commission coming up for reappointment during the term for which President Roosevelt has now been elected, it is clear to me and ought to be clear to everybody that the Tariff Commission method of operating is Presidential tariff-making.

Mr. CULLEN. Of course, Mr. Chairman, I can understand why that statement is wanted in the Record at this point; probably his Republicanism is not as orthodox as they think it should be.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from New York.

Mr. CULLEN. He also deplored the fact that the world is so broken up by tariff restrictions. The more open trade relations we have, the better. He did not believe that the cost of production should be the basis of tariff-making. Of course, the authors of the Hawley-Smoot law will shudder at this heresy—that is political heresy from that side of the Chamber, although we are getting a few recruits from over there. It is obvious that if tariffs must always be kept high enough to equalize the cost of production between the domestic and the foreign article, an impossible barrier is put in the way of exchange of most goods in international trade.

The high tariff rates of the Hawley-Smoot law has absolutely paralyzed our shipping. Those of us who come from seaport communities and who want to be fair must admit that we have not been exporting or importing to any great extent since the Hawley-Smoot law. They have built a wall against us so high it would take an airplane to get over it. The sharp decline of recent years in export and import trade means a falling off of the varied activities in seaport communities. It is not only a matter of loading and unloading vessels and of trucking, but of business handled by houses engaged in exporting, importing, and wholesaling, and of marine-insurance organizations and many other lines of work.

According to the figures of our experts, our exports have decreased from \$480,000,000 down to \$120,000,000, speaking in round numbers. I call particular attention to this statement: From January 1929, when our imports reached the total of \$4,389,000,000, they have fallen off in January of 1933 to \$1,122,000,000, and the total exports of the United States fell from \$5,157,000,000 in 1929 to \$1,149,000,000 in 1933. Imports fell from \$4,389,000,000 in 1929 to \$1,122,000,000 in 1933.

Is it any wonder that our shipping, one of the greatest industries of our country, is paralyzed? Is it any wonder our shipping has been driven from the high seas? Why? In my judgment because of tariff walls built up under the Smoot-Hawley system which invited the retaliatory measures that have been taken against us by foreign countries.

This bill should be labeled "A bill to promote better economic conditions in our country and to relieve to a great extent the unemployment situation which is prevailing throughout our country and to restore prosperity." It will help to bring about reciprocal relations with other countries and at the same time protect our industrial and manufacturing interests and the American farmer.

It is not enough to say that it is unacceptable to the minority without saying specifically why not; and in the present instance a purely partisan opposition, unless it take the stand on a principle not yet disclosed, will appear to many as being only a selfish grouping of those sectional

interests which through the means of logrolling and backscratching have brought congressional tariff-making into disrepute.

Give to President Roosevelt the power which is asked for in this bill, as I know and am sure he will exercise it for the best interests of our people and of our country. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I have been no little interested in noticing the delight with which some of my Democratic colleagues have rolled the name of Mr. Mills around their tongues when they have referred to certain statements which he made in a speech delivered at Topeka. The Members who have been in this House for a number of years know very well that Mr. Mills does not always speak my language. Further than that, they know that I have never hesitated to agree or disagree with any President or any other official or individual, regardless of what political party the official or individual belonged to. May I say that the program that Mr. Mills subscribed to when he stated he wished at this time to have this country undertake the raising of the standards of living of all the peoples of the world is outside the range of my approval? As far as I am concerned, Mr. Chairman, the first problem confronting the people of this country is to restore the American standard of living to the people of America before we undertake to raise the standard of living of the Chinese coolies on the Yangtse River or similar peoples elsewhere. [Applause.]

Mr. Chairman, I propose to discuss this question from a nonpartisan point of view. I think anyone who has known me long will say that never have they heard me discuss any question on the floor of this House from a partisan standpoint. I am not interested primarily in partisanship here. I am interested in the welfare of the people of this country.

Mr. Chairman, in arising to address myself to the issue which now is before us, I find myself stirred to my innermost depths by the grave import for the future hidden in the heart of this measure, which proposes that the Congress of the United States shall further abdicate its functions under a constitutional government, and turn over to a sincere and earnest and honest Chief Executive, who, despite these admirable qualities, which no one doubts, still is not omniscient, one of the greatest and most far-reaching of the legislative powers under the Constitution of the fathers.

We must not forget, Mr. Chairman, that this is permanent legislation we are proposing, and that any power turned over to the present occupant of the White House is also turned over to all those who shall come after him until such time as the act shall be repealed. This undoubtedly would require a two-thirds vote of each House of Congress, as history teaches us that potentates or men of great power relinquish that power only with extreme reluctance.

Therefore, I say, as I address myself in opposition to this measure, I am moved, not by partisan sentiment, not by sectional prejudice, but I am moved by a genuine fear for the future of my people and my country in this proposed further abandonment of constitutional government.

I want it clearly understood at the outset of these remarks, Mr. Chairman, that I am in no sense questioning for one moment the sincerity of purpose of the President of the United States or of his advisers. But, no one, and least of all the President himself, claims omniscience for the Chief Executive. Why, if there has been any one man within the last 12 months of these terrible times through which this country has passed who has insisted and insisted again that he did not know what to do, but frankly was experimenting, it has been Franklin Delano Roosevelt. I admire him for his frankness in telling our people honestly and openly that he is experimenting. But the fact still remains that not only is the President not omniscient, but he, himself, regardless of either his purpose, his wisdom, or his foresight, cannot personally carry out the provisions of this measure, if it is enacted, but must be guided entirely by advisers, none of whom claims omniscience.

One of the witnesses we had before the Ways and Means Committee during the hearings on this bill was the Honorable Robert L. O'Brien, Republican member and Chairman of the United States Tariff Commission. His appearance there was a continuous testimony of the splendid vigor and ability of the man. Unquestionably one of the ablest men in the Government service, he has hundreds of men working under him collecting information upon which to enable the Tariff Commission to base its analyses and decisions. It is his duty to carefully weigh all the facts before arriving at a decision. The duties of his office occupy all his time. There is no place in his busy day for anything other than this. He is now performing the functions which this bill would thrust upon the shoulders of the President of the United States, were he personally to determine what shall be done in connection with the proposed trade agreements.

The office of President is one that carries with it burdensome cares of every kind and character. Not a minute of his time belongs to the President in the performance of duties already resting heavily upon him. To believe that he, if given the authority granted him by this bill, would give his personal attention, or could give his personal attention, to the problems that would be constantly arising is preposterous, is ridiculous, and I do not believe that any man or woman within the sound of my voice believes that he will give his personal attention to these duties.

He must necessarily delegate this duty to others. He, no doubt, will delegate them largely to the members of his Cabinet who appeared before our committee. They are men who apparently believe that our foreign trade can be revived and extended, but, notwithstanding the most diligent examination of these witnesses, they failed to name one single product that could, under the provisions of this bill, be imported into this country without injury to American industry or agriculture. They, Mr. Chairman, are men. They, Mr. Chairman, are earnest men. They, Mr. Chairman, are able men. And yet they are no more earnest nor are they more able, in my opinion, than the Members of this Congress, who represent directly and absolutely the people of this country in expressing the popular will.

Therefore, if and when this Congress should turn this great power vested in this august body under the Constitution over to a group in the Executive department of Government, we have abandoned just that much further the few vestiges of constitutional government that remain to our people. How, Mr. Chairman, can we expect to get any better results if we turn the fate of our industry, of our agriculture, and the fate of every man, woman, and child in this country over to this group of executives, pleasant though it might be to so easily evade the tremendous responsibilities laid upon us under the Constitution as representatives of the people.

Ah, Mr. Chairman, it is a sweet and pleasant thing to pass responsibility for the prosperity or the ruin of this country over to other hands, but is it the manly, the right, and the statesmanlike thing to do? If this measure is enacted into law and should prove to be unwisely administered, could we as Members of Congress say that the responsibility was not ours? I do not believe we could, because after all, under the Constitution, we here are charged with the solemn responsibility of deciding for the people of the United States who shall exercise the powers necessary for that freedom and prosperity so dearly bought by the blood of our fathers on many a battlefield. This, Mr. Chairman, is what we are considering here—the abandonment, if you please, of one of the greatest bulwarks of our constitutional form of government for the sake of further experimentation in a field which, members of the executive group have within the last 2 weeks informed the Ways and Means Committee of this House, calls for a completely new study without the benefit of any rules or yardsticks.

I now wish to pose some questions which obtrude themselves and cry for answer. The purpose of this bill is to turn over to the President of the United States indefinitely the power to decrease or to increase the tariffs and to lift import restrictions without any further recourse to or ad-

vice from the Congress, on the theory that, if we are to sell in foreign markets, we must also buy in foreign markets.

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

That market is now off approximately 50 percent from the normal level of consumption. I now ask the Members of this body to consider for a moment what would happen if we were able to sell 10 percent of our products in foreign markets, and did not have to import a dollar's worth of goods from these markets, just exactly what would we do to restore the other 40 percent of vanished purchasing power which confronts us here at home? I mean to say, Mr. Chairman, that even in that event we would still be minus 40 percent of our market at the expense, very largely, of the 90 percent. In other words, if we are going to buy in foreign markets, then we are going to buy those things which are produced in this country (as practically everything we do not raise or manufacture is already on the free list and can be imported from foreign countries without restriction and without limit), and if we buy them in foreign markets, it will have to be in competition with and at the expense of the producers of this country, unless we can find in the various countries of the world so many billions of dollars worth of products and materials which we need, and which are not and cannot be produced in this country; and that, Mr. Chairman, we all know is an impossibility, because foreign producers are now selling here all such products we can possibly consume.

If the President under the terms of this bill is going to lower tariffs, we face in all of its grave import this inescapable question which must be answered before we can conscientiously vote on this measure: Are we going to import manufactures, fabricated goods, machinery, into this country in order to sell fabricated goods and machinery made in this country to other nations? No, that cannot be true, because other nations can and do produce fabricated goods and machinery more cheaply than we can produce them in this country, because our standards of living and labor are higher, and the cost of production is correspondingly greater. It is true that in some instances as yet we do, through mass production, produce, even with high labor costs, machinery in this country, such as automobiles, which may still undersell in the world markets. But, the whole tendency in every country in the world is to buy American labor-saving machinery and to adopt American mass-production methods, and with the lower standards of living and the lower wages, if, as, and when each of these countries acquire the machinery and the technique, of course they can manufacture at lower costs than we; and that will come in the automobile field just as certainly as it has come in the shoe-manufacturing field.

Our manufacturers of machinery and fabricated goods well know that for us to import against their domestic market products such as they make is to rehabilitate foreign trade at the expense of the rehabilitation of domestic industry. It is to aid, as I understand it, our machine industry largely that this bill is proposed. Are we, then, to import from these countries agricultural products in competition with our own already overproduced agricultural products? Is that what we are going to buy from these foreign markets in order to aid the manufacturing industry? If that be true—and that is exactly what this thing means, Mr. Chairman—then it means that this Congress is considering turning over to a few executives surrounding the President the power to determine whose businesses, whose prosperity, and whose means of livelihood shall be ruthlessly stripped from them in order that some other segment of American industry or agriculture and the American people may live in plenty.

This measure means, Mr. Chairman, that we are today considering whether or not we are going to pass a death sentence upon a very great portion of our agricultural industry in this country in order that we may nurture the remainder of industry. This measure means, Mr. Chairman, that we are considering here today whether or not we are going to say to one great class of our people, the farmers: "Here and now we are going to deny you your constitutional rights of life, liberty, and the pursuit of happiness, because we feel there is not enough life, liberty, and happiness to go around, and we are going to reserve it for the manufacturing interests of this country at your expense." That, Mr. Chairman, is exactly what this measure means.

If it does not mean that, it must mean that we are going to say to the manufacturing industry, "Here and now we are going to deny you your constitutional right to life, liberty, and the pursuit of happiness in order to nurture the agricultural industry." If it means neither of these, it must, Mr. Chairman, mean the development of our foreign markets for both agriculture and industry at the expense and the sacrifice and the destruction of every element of either agriculture or manufacturing that may, in the opinion of those surrounding the President of the United States, be deemed "inefficient" industries.

Where is the evidence of this last assumption? It is in the policy already laid down before the committees of this House in relation to the sugar allotments and the statements of those close to the President who have appeared and supposedly expressed the administration's position on legislation pending in this House.

It seems obvious to me that this proposition presents two horns of a dilemma, one of which we cannot possibly avoid if we are to enact this bill. If we are going to export manufactures and import agricultural products, we are going to nurture manufactures over the corpse of American agriculture. Conversely, if we are going to import manufactures in order to export agricultural products, we are going to nurture agriculture upon the corpse of the manufacturing industry. The two propositions are so utterly incompatible, namely, that we can export both manufactured and agricultural products and not import either of them, that it is perfectly futile, in my opinion, to even consider the matter, inasmuch as every man and woman within the sound of my voice knows that it is wholly impossible for us to purchase from all these other countries enough billions of dollars' worth of raw materials or products now on the free list and not produced in this country to "create a fair and just balance of trade as between this and other nations." And this is not to mention the fact that we cannot, by any stretch of the imagination, expect any foreign nation to compel its peoples to buy our goods in the foreign markets at a price which must be vastly greater than the price at which the same character of goods could be purchased by the peoples of those nations from foreign producers.

Imagine for a moment, Mr. Chairman, how this country would react to a proposal on the part of the President for this Congress to vest him with the power to decree that Americans must buy foreign machinery, or foreign-made clothing, or foreign-made shoes, or foreign-grown wheat and cotton at prices twice what they could be produced and sold for at home. Why, he would be considered to have gone mad to propose any such thing; and yet this is precisely what we are expecting him under this bill to propose to foreign peoples.

This is exactly what the President will have to do if he is to make this plan effective, in the event this bill is passed, unless always he is prepared to crucify, to destroy many of the fine industrial and agricultural activities of this country that have been supplying the people of the United States with necessary employment and products down through the years, but which today in the opinion of some of his advisers are considered inefficient.

There is one phase, one inevitable effect of this proposal that, in my opinion, has escaped the attention very largely of everybody who has been discussing it, and that is that just as surely as we open our doors to the products of pauper foreign labor, we will start to bring the American

standard of living down to the levels of the European and oriental standards of living. Just as surely we will start the price levels downward, instead of upward, because it is inevitable that if we are to reduce production costs in this country in order to invade foreign markets in competition with foreign products, we are going to have to do it by the only method known, namely, a reduction of American wages and American living standards, or the vastly increased use of technological appliances which will mean a further displacement of labor. If we do that, the American people are going then to have to buy where they can buy the cheapest, and that means the destruction of price levels in spite of all Mr. Roosevelt and his advisers possibly could do.

It is not production that stabilizes price levels; it is demand that establishes and stabilizes price levels. It is purchasing power that maintains price levels and not producing power. I defy any man or woman in this House to challenge my statement when I say that if we do not have consuming power in America there will be no industry, because there would be no consuming power to justify such industry.

Consuming power is people plus purchasing power, and purchasing power in the United States of America spells wages—high wages.

Again I reiterate, Mr. Chairman, that the minute we open our doors to cheap foreign products and put our workers into competition with foreign labor, just that minute we start the American wage level on the toboggan that leads to a bottomless abyss of utter ruin and chaos. The minute we start American wage levels on the toboggan downward, that minute we start price levels on the toboggan downward because it is consuming power that determines price levels.

Why, Mr. Chairman, the fact is that the President is today insisting upon shorter hours and higher wages in industry in order to increase purchasing power, which is one of the two essential factors of consuming power. How we can hope to shorten hours, raise wages, increase production costs, and then force our products into foreign markets, where long hours and low wages mean low production costs, is so utterly beyond my mental concept of economics that I find myself wholly incapable of following such a line of reasoning.

Perhaps someone may question this. It has been said in testimony before the Ways and Means Committee by none other than the Secretary of State, the Honorable Cordell Hull—for whom I have the most profound respect and admiration, and whose sincerity and integrity no man may question—that the information and the studies which repose in the State Department have not yet been sufficiently classified and studied to throw any light on or to provide any answer to the questions I have just propounded to this House, and that this entire act is to be based upon some study which it is hoped may indicate some experimental avenue of approach to the reopening of foreign trade.

Now, Mr. Chairman, if the President does not intend to lower the bars which today protect American manufacturers from the onslaughts of cheap foreign manufactures, and if the President does not mean to lower the bars which protect the American farmers against the wool and the oils and the hides and the cotton and the dairy products and the wheat and other agricultural commodities raised by the pauper labor of other countries, then I ask the Members of this House where does he intend to find these things which we may buy in sufficient quantities from the other countries to enable them to spend in our markets these billions they talk about?

If the President is unable to find a sufficient number of products produced in other countries which are not produced here, then it is to be assumed that this act will be inoperative, in which case, Mr. Chairman, this Congress will have abdicated one of its most solemn and important functions under the Constitution—we will have taken another long stride toward bureaucracy and the abandonment of our democratic form of government for no purpose whatsoever, and that is something which ought not to be even thought of by this august body.

Now, Mr. Chairman, let us see for a moment what we may expect to buy under the operation of this bill if we expect to sell. The items which I am now going to quote are taken from the reports of the United States Department of Commerce, Bureau of Foreign and Domestic Commerce, the Commerce Yearbook of 1930, and other publications of the Department of Commerce as compiled in volume 6, no. 16, of the Foreign Policy Association's information service.

Take the year 1929 as the last year in which imports were at their peak, and I want to call to the attention of this House the fact that the leading imports from Canada for that year were lumber, wood pulp, nickel, wheat, pulpwood, cattle, and furs, undressed. Most assuredly lumber, wheat, and cattle, to say nothing of furs, were in competition with domestic industry. It is to be assumed then that if we are to do more business with Canada we will have to buy in Canada more lumber, more wheat, more cattle, and more undressed furs, among the other items which include standard newsprint, wood pulp, pulpwood, and nickel.

In the same year from Cuba we imported sugar, tobacco, molasses, cigars, iron ore, and pineapples; and of that list sugar, tobacco, molasses, cigars, and pineapples came into this country in competition with domestic agriculture and industry, to say nothing of iron ore. Presumably then, if this act goes into effect, we are going to have to buy more sugar, more tobacco, more molasses, more cigars, more iron ore, and more pineapples from Cuba.

From Mexico in the same year we bought copper, sisal and henequen, crude petroleum, lead, coffee, cattle, chicle, cotton, bananas, chickpeas, and tomatoes. Of these imports, copper, petroleum, lead, cattle, cotton, chickpeas, and tomatoes were in competition with domestic agriculture and industry; and yet presumably under this bill we will have to buy more of these items from Mexico, if we expect to sell her people industrial machinery, automobiles and parts, iron and steel products, electrical machinery, and so forth.

In the same year, Mr. Chairman, we imported from Argentina, flaxseed, cattle hides, meats, wool, furs, sheepskins, and casein, every item of which was in competition with domestic agricultural production.

In the same year from Uruguay we imported wool, meats, hides, and sheepskins, every item of which was in competition with American agriculture.

From Spain we imported olives, almonds, edible oils, goat and sheep skins, every item of which was in competition with our domestic production.

We imported from France undressed furs, gloves, silk wearing apparel and fabrics, cotton laces, rayon manufactures, and walnuts, which were in competition with domestic industry.

From Italy in the same year we imported edible oils, cheese, tomatoes, hats, wool felt, tobacco, cherries, and almonds, all of which were in competition with domestic production.

From Switzerland we imported cheese, materials for hats, and cotton cloth in competition with domestic industry.

From Australia we imported wool, undressed furs, sausage casings, sheepskins, and cattle hides, all of which were in competition with domestic industry.

From New Zealand, we imported hides and skins, wool, sausage casings, all of which items were in competition with domestic industry.

I could continue to recite similar items which would come in in ever-increasing quantities from every other country in this world, if we buy from them as contemplated under this act, all of which would come in direct competition with American production.

Mr. Chairman, there is a very singular fact in connection with this whole question, and it is that almost 90 percent of all the items imported from these countries are items in competition with agriculture, while the leading exports from the United States to every one of these countries was, first, automobiles; second, iron and steel-mill products; and, third, electrical machinery.

If it is established, Mr. Chairman, and it is established, that we cannot possibly use enough products from other countries which we do not or cannot produce in this country, to maintain a proper economic balance of trade with those countries, then we will have to buy, if this act is to be operative, from those other countries, products which are produced in this country.

In that case, if we are to nurture the manufacturing industry at the expense of agriculture, the manufacturer is going to have to give up a part of his domestic market here at home in exchange for foreign markets abroad.

If we are going to nurture agriculture at the expense of the manufacturing industry, the agriculturalist is going to have to give up a part of his market here at home for a market abroad.

Let us see if this is true. From 1920 to as late as 1932 not only was American capital being expatriated and put into foreign manufactures to serve foreign markets but American industry was establishing foreign branch factories. Now, why? Because, our Democratic friends maintain, of high American tariff walls, which, in their opinion, made it impossible to carry on this international trade. They are not correct. It was because the American industrialist found that he could produce for his foreign market at a cheaper cost by using cheap foreign labor and cheap foreign materials in the countries in which they exist, by avoiding the long haul with its consequent costs of carriage, and by avoiding frozen capital invested in transit and insurance charges in transit, and thereby could meet foreign competition on its own ground. This is exactly the reason behind the phenomenal flight of manufactures to foreign countries. It was not because of the American tariff walls, although it is true that foreign tariff walls set up further obstacles; but if there was not a vestige of tariff existing either here or elsewhere, if the whole world were today on a basis of free trade, the American industrialist, if he would serve his foreign markets at a price which could compete with producers in those foreign markets, would be compelled to maintain foreign branch factories. That fact is so apparent that, I think, no intelligent person would for a moment assume to contradict it.

Mr. SAMUEL B. HILL. Will the gentleman yield for a short question?

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

Mr. SAMUEL B. HILL. Why is it that American branch factories were not established in foreign countries in previous years and that the practice began only recently?

Mr. WOODRUFF. May I say that I am surprised at the question, because ordinarily the gentleman from Washington is well informed on these matters?

Mr. SAMUEL B. HILL. I should like to have the information.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 18 additional minutes to the gentleman and trust he will complete his statement in that time.

Mr. WOODRUFF. Again I say to the gentleman from Washington that usually he is well informed. I call his attention to Senate Document No. 120, which has been printed within the last 3 weeks. This document will tell the gentleman that for many years there has been an ever-constant flight of capital abroad for investment in branch factories.

Mr. SAMUEL B. HILL. The gentleman from Michigan will admit, I am sure, that within the last 3 or 4 years these branch factories have increased to a very large extent?

Mr. WOODRUFF. No; quite the reverse. In order to satisfy the gentleman from Washington I will at this point print a report of the Department of Commerce in connection with this very thing, and the gentleman can satisfy himself as to whether or not he is correct in his statement. I was just going to discuss this Senate document.

Present investment and employment in foreign producing units by years in which established, all countries
[The investment and employment figures are for 1932]

Year	Manufacturing				Raw materials and special classes			
	United States companies	Labor	Foreign units	Investment	United States companies	Labor	Foreign units	Investment
1920.....	1	12	1	\$75,905				
1921.....	1	600	1	1,158,899				
1922.....	1	14	1	58,273				
1923.....	2	606	7	65,370,510				
1924.....	2	6,000	2	2,573,400				
1925.....	1	7,809	1	6,948,888				
1926.....	1	6,000	3	328,000				
1927.....	1	103	1	562,285				
1928.....	1		3					
1929.....	1	143	1	387,285				
1930.....	2		2	13,468,000				
1931.....	2	174	2	1,287,000				
1932.....	1		1	26,000,000				
1933.....	2	813	2	859,713				
1934.....	5	3,806	7	18,094,428				
1935.....	1	536	1	613,875				
1936.....	1	100	1	127,629	1	34	1	
1937.....	4	797	9	5,390,118				
1938.....	2	903	2	2,045,532				
1939.....	1	2,000	1	6,296,980				
1940.....	3	2,345	3	13,041,378	2	1,035	3	\$4,413,000
1941.....	6	653	14	4,778,000	2	160	2	7,026,994
1942.....	4	449	6	8,905,010	4	7,784	11	18,502,826
1943.....	3	2,782	3	4,612,914	6	6,219	18	44,338,000
1944.....	8	1,820	8	6,163,606				
1945.....	9	6,090	13	66,803,786	3	8,318	3	59,409,033
1946.....	16	13,095	29	16,864,429	3	2,572	8	8,010,500
1947.....	10	2,172	33	8,446,377	5	5,783	5	31,173,394
1948.....	14	600	15	5,129,546	3		5	37,280,600
1949.....	15	6,164	21	21,796,557	1	258	1	272,343
1950.....	10	2,317	18	3,200,282	3	3,736	3	20,304,743
1951.....	21	11,118	46	33,482,926	1		1	4,000,000
1952.....	16	17,001	19	51,662,057	3	19,208	4	13,387,678
1953.....	22	2,140	29	16,924,018	2	5,001	3	39,285,223
1954.....	14	5,966	15	14,385,725	2	615	2	3,800,000
1955.....	19	3,252	20	27,347,130	3	2,873	2	24,195,124
1956.....	11	3,624	13	6,360,369	4	6,404	6	45,380,765
1957.....	23	3,702	25	21,721,750	3	5,659	4	86,017,936
1958.....	20	8,311	22	7,676,820	5	2,500	6	16,407,107
1959.....	14	2,623	34	23,982,055	1	9,414	4	12,055,000
1960.....	27	8,742	34	42,577,557	11	10,759	13	46,892,183
1961.....	43	9,487	52	54,189,586	8	9,511	14	42,468,392
1962.....	29	4,646	37	14,366,211	8	3,090	13	36,151,159
1963.....	22	3,761	22	24,701,096	7	9,341	7	5,900,000
1964.....	25	4,784	34	14,675,255	7	9,398	8	171,225,528
1965.....	28	6,417	39	22,653,758	9	1,877	13	12,854,866
1966.....	35	11,504	49	29,236,145	11	15,020	16	112,599,954
1967.....	35	16,559	49	26,921,127	6	19,791	8	3,940,588
1968.....	43	11,438	54	44,129,498	9	3,279	11	15,854,867
1969.....	45	6,956	64	35,761,070	6	6,886	13	86,873,493
1970.....	70	16,553	99	78,094,191	10	1,854	11	3,097,658
1971.....	64	15,185	81	55,559,953	6	1,095	12	37,404,000
1972.....	49	3,762	55	29,717,504	5	629	5	2,192,390
1973.....	43	2,309	53	11,502,399	1		2	
No date given.....	185	18,605	363	34,237,314	23	2,111	61	91,108,094
Total.....		267,345	1,520	1,033,259,808		183,118	299	1,144,433,438

This is Senate Document 120, recently issued, which is a report from the Department of Commerce in response to Senate Resolution 138 of the Seventy-second Congress, on American branch factories abroad, together with an analysis of returns from United States producers with investments of \$50,000 or more in foreign plants in 1932. This shows that a total of approximately \$2,177,693,244 was at that time invested by American industry in foreign branch plants. The number of plants approximated 1,800. And keep in mind, ladies and gentlemen, that this list is wholly incomplete, because, in the first place, it embraces only plants in which more than \$50,000 per plant is invested, and, secondly, it does not include any plants or activities established and maintained by American capital which operates no American plant; and, third, it does not include many plants concerning which some American firms refused to report. And further it does not include those American investments and activities in foreign countries which do not provide competition for American production.

Mr. SAMUEL B. HILL. Then it does not give very much information on the subject about which I inquired.

Mr. WOODRUFF. It gives the information which I said I would give the gentleman, and when the gentleman sees the different years in which these plants have been estab-

lished abroad, I am sure the information will be helpful to him.

Mr. VINSON of Kentucky. We want a comparative figure. As I understand the gentleman, his figures were for 1932.

Mr. WOODRUFF. They were figures for all time up to 1932. The table gives the establishment of the branch factories abroad by years.

Mr. VINSON of Kentucky. Together with the total amount of capital involved?

Mr. WOODRUFF. Yes.

Mr. VINSON of Kentucky. Then the gentleman's figures are not comparable.

Mr. WOODRUFF. May I say that the gentleman from Massachusetts [Mr. TREADWAY] is limiting my time and I have much to say. I believe I will anticipate most of the gentleman's questions if he will permit me to proceed uninterrupted. I will put the report in the Record and let the report speak for itself.

Mr. VINSON of Kentucky. It may not speak correctly.

Mr. WOODRUFF. Then that is the fault of the report and not the fault of the gentleman from Michigan.

This is the whole and complete answer to the charge that American tariff walls are responsible for the flight of American capital and American plants into foreign countries. This is the absolute evidence that American producers cannot produce in America and ship abroad as cheaply as producers can produce and serve their markets at home in foreign countries. This will be doubly true now that we are supplying our foreign competitors with the most up-to-date mass-production machinery. It must be equally true that we cannot hope to compete in these foreign markets for American-made goods unless we reduce the cost of production to a point where we not only can compete with lower foreign wages, cheaper foreign materials, but also be able to absorb cost of carriage, insurance in transit, and interest on frozen capital in transit.

It must be patent to every thinking person that these facts and figures prove that this act cannot be effective except at the expense of the American workingman and the American farmer, and the American standard of living.

Now, Mr. Chairman, there is one salient fact of the most sinister import hidden here which I am going to drag out to the light of day. The facts I have just quoted from this Senate document show that the manufacturing industry can and does, when deemed necessary, jump across the oceans and establish branch factories in the markets abroad which it wishes to serve. But, mark you well this fact—the American farmer cannot do that thing. His base of operations is irrevocably and irremovably fixed in the soil of this country. He cannot at will move a portion of his "factory"—the farm—to Canada, or to Argentina, or to Brazil, or to England, or to Germany, or to Poland, or to any other country. He is destined by the very nature of his calling to remain fixed, and yet we are here seriously considering sacrificing his interests, taking advantage of his helplessness, crucifying him under some theory that we are going to benefit America by so doing.

If we have come to the time in this country, Mr. Chairman, when this Congress will acquiesce in condemning and executing an industry, which provides a livelihood and the welfare of by far the largest single class of our citizens, in order that other groups shall continue in opulence, then God knows we certainly have abandoned the constitutional form of government and are going into feudalism with a speed that is appalling.

It has been argued time and time again that the reason for our decrease in imports has been the high-tariff barriers, and yet my study of the reports covering exports and imports for the years 1922 to 1932, inclusive, show this significant fact, that of all the imports into this country during the years 1930, 1931, and 1932, the years when the purchasing power of our people was declining with heretofore unknown rapidity, 67 percent of imports remained on the free list. That portion of the import totals shrunk

exactly in ratio with the portion which covered items which were dutiable. That means just one thing, namely, that it was not the tariffs but the loss of American purchasing power that caused the reduction in imports.

I will insert that table at this point in my remarks.

Imports for consumption

Year	Value			Percent free
	Total	Free	Dutiable	
1922.....	\$3,073,773,000	\$1,898,240,000	\$1,185,533,000	61
1923.....	3,731,769,000	2,165,148,000	1,566,621,000	58
1924.....	3,575,111,000	2,118,168,000	1,456,943,000	59
1925.....	4,176,218,000	2,768,828,000	1,407,390,000	65
1926.....	4,408,078,000	2,908,107,000	1,499,971,000	66
1927.....	4,163,090,000	2,680,059,000	1,483,031,000	64
1928.....	4,077,937,000	2,678,633,000	1,399,304,000	65
1929.....	4,338,572,000	2,890,128,000	1,448,444,000	66
1930.....	3,114,077,000	2,081,123,000	1,032,954,000	67
1931.....	2,088,455,000	1,391,693,000	696,762,000	67
1932.....	1,325,093,000	885,536,000	439,557,000	67
Total.....	38,072,171,000	24,385,663,000	13,686,508,000	63

What items, Mr. Chairman, are going to be affected, if this bill is enacted? It cannot affect the items on the free list. The President cannot reduce the tariff on those, neither can he take those items from the free list. Therefore, he can only reduce the tariff, if this act is enforced at all, on those items, which must be in competition with American products, otherwise they would not have had a tariff imposed upon them in the first place.

But, there is a more important consideration, Mr. Chairman, that I wish to inject at this point. I seriously question, in fact, I do not believe that the automobile manufacturers, the steel manufacturers, the electrical machinery manufacturers, or that any other manufacturers want the agricultural industry of this country penalized in order that they may get some increased foreign trade, because it is inevitable and absolute that every dollar's worth of imports that are brought into this country at the expense of American agricultural products, will mean just that many fewer American farmers' dollars which will go into automobiles and other machinery.

I could not be convinced that the American manufacturer is so blind and stupid as to believe that he can penalize 90 percent of his market to some degree in order to gain some part of 10 percent of a foreign market and still hope to sell the full volume that he previously sold to the 90 percent of his market. The thing just does not make sense.

Now, Mr. Chairman, as we look at these different problems which confront us in connection with this measure, it becomes to me perfectly apparent that this is merely another experiment and that the President of the United States and his advisers have no idea what they are going to do with or under this measure if it is enacted. They simply want more power to dicker—to do something that the opportunity may seem to offer in the hope that something will happen—and it is precisely for that reason that I am opposed to this measure, because I am afraid, in the light of the results of past years of American dickering with foreign traders, that something will happen under this act and that that something will be a most unpleasant thing for the American people.

I have in mind the most recent accomplishment along this line, namely, an agreement with France for the importation of \$10,000,000 worth of wines and liquors in return for France's permitting the importation of \$1,000,000 worth of American apples and pears. Mr. Chairman, almost before the ink was dry on the agreement the French wines and liquors were on their way to the United States. And before those French wines and liquors had landed at American ports the French Government had moved to nullify absolutely the beneficial effects, so far as American apples and pears were concerned, and the net result of the whole deal was that we bought and paid for the liquors and wines, and the American apples and pears lay on the French docks and rotted, almost a total loss to the shippers.

Mr. Chairman, the recent proposal to reduce American beet-sugar production in this country by 300,000 tons, with the attendant loss to the farmers, the workers, and others which this reduction entails, and to turn this tonnage over to our Cuban competitors bears all the earmarks of another of the Utopian trade and other agreements with foreign nations for which this country is famous.

It was said by one very prominent member of the administration before the Ways and Means Committee that the administration hoped under this measure by reducing tariffs to set an example to other nations. God save the mark! Why, Mr. Chairman, as I recall the Treaty of Versailles, after we had sent our men and our money to the battlefields of France, and then asked for nothing, and refused to accept anything except the honor and glory of having made "the world safe for democracy" in order to set an example to a selfish world, I marvel that any man could even consider for a moment trying to set an example to a greedy and grasping group of nations. Why, Mr. Chairman, when I hark back to the Disarmament Treaty of 1922 and think of the ships we sank while the other nations, profiting by our splendid "example", merely tore up blueprints, I marvel that any sane man could for a moment imagine that any example we set to other nations will be regarded as anything except another invitation to rob us and to despoil us of what we have.

When I think of the billions that we have sent across the seas because we wanted, by our example of the "good neighbor", to help those starving children and those war-weary men and women, and when I think of the insolence with which those countries have since said to us, "We will not repay", I marvel that any man could for a moment consider jeopardizing our great agricultural or any other industry in the hope of setting an example to peoples moved by motives such as theirs.

When I think, Mr. Chairman, of the nineteen and one half billions of dollars sent to the countries of the world privately to help them build up their own self-containment, to help them equip their own factories, to help them modernize their agricultural and industrial methods in order that they might buy less instead of more from us; when I think of those defaulted bonds, the defaulted interest, the ultimate loss, if you please, Mr. Chairman, of that treasure, running into the colossal sum of approximately thirty billions, I marvel that any man would have the temerity to say that we hope by "our example" to lead the other nations back to unselfishness and fairness in trade.

Mr. Chairman, I tried in the sessions of the Ways and Means Committee, by every line of questioning that I could think of, to get the proponents of this measure to state to the committee what they expected to buy in those foreign markets, and all I could get was glittering generalities, platitudes, and evasion, and I defy any Member of this House to rise in his place and say that he has read the record and found in the testimony before that committee any answer to the questions I have propounded in these remarks. There was not one single individual representing the administration who was willing frankly to say what they expected to import from those countries I have mentioned; and the only thing that we could get out of them was that it meant bigger markets for American products, provided we would give the foreign producers bigger markets in America for their products.

Fundamentally and philosophically, Mr. Chairman, we are here and now face to face with the irreconcilable theories of the two great schools of thought of this country which have arisen from this terrible crisis through which we have been passing for nearly 4 years—nationalism versus internationalism. The nationalists believe that because 90 to 93 percent of the market for American products lies within the territorial confines of the United States, and because for the last 15 years we have been lending billions of dollars to our foreign purchasers with which to purchase our goods, that our first and most profitable avenue out of this depression is to cease lending money to foreign peoples with which to buy our goods, to increase the purchasing power in the

United States, and to let foreign trade take care of itself for the time being.

The other school of thought, which I grant is just as sincere, although I believe utterly mistaken, is the internationalistic philosophy that our welfare, our peace, our safety, and our prosperity are so integrated with the peace, the safety, and the prosperity of every other country in the world that we no longer can disentangle ourselves, and that we must all be on a common level. I warn this Congress that if we do try to meet the other countries of the world on a common level, that level will be a level of honesty, a level of integrity, a level of wages, a level of living standards, far below that which we have enjoyed for the last 40 years in the United States of America. It is utterly impossible for the people of this country to raise the hordes of China, the myriads of India, the multitudes of Asia, and the millions in South and Central America to the American living standard if we give them part of our market. The only conceivable future we can hope to face under the internationalistic theory is a reduction of American living standards to the level of that of the pauper-ridden countries of the Old World and the Far East.

I believe just as sincerely in the philosophy of the "good neighbor" as does Franklin Delano Roosevelt. But I do not believe that it is in any sense a sound philosophy that, to be a good neighbor, I must reduce myself to the moral or the economic level of a neighbor merely because his standards are lower than mine. That may be a very neighborly act for me to do to him, but it is an exceedingly unneighborly act for me to do to mine.

As I cast back over the last 2 decades and realize the awful sacrifices this country has made in blood and treasure to try to help the rest of the world, and as I ponder a Europe today nearer to the verge of war than it was in 1914, and as I ponder those lost billions and those lost boys I question whether or not the moral force of the great American people is sufficient to shed the light into the dark places from whence sprung those motives that today threaten the civilization of the world.

I am not ready, Mr. Chairman, to sacrifice the opportunities, the independence, and the welfare of the farmers and workers of this country any further in the vain hope that I may benefit some Chinese coolie in the Yangtse Valley or some ragged untouchable in India. Charity, Mr. Chairman, begins at home.

With the millions of unemployed, with our papers filled every day with stories of suffering and disaster, with the administration itself trying so frantically to provide employment for our millions who are today homeless and hungry, I cannot find myself ready to engage in any further internationalism, at least until after our own have been clothed and fed and sheltered.

As I said a moment ago, Mr. Chairman, there is very much more underlying this question upon which we today are making decisions than a mere matter of trade. If we enact this measure, this Congress will have abdicated its power to protect the American people against a surrender of our American standards of living and working.

We will have surrendered to that philosophy of internationalism which I have just outlined. We will have surrendered the peace and the prosperity and the very livelihood of millions of our citizens to the jeopardy of competition with the peasantry of Europe and the coolie labor of the Far East. If we are not doing that, then this act does not mean a single thing.

Mr. Chairman, in a day which now seems long ago, as I sat in the glamorous and dusty atmosphere of the circus, I was wont to marvel at the agility of the equestrian who was able to stand with one foot on the dappled grey and the other on a prancing bay and ride about the ring at a merry gallop, all the while maintaining a perfect equilibrium. As I marvelled at those feats, sometimes I would see even the most practiced equestrian lose his footing because the horses lost the rhythm of the gallop. I fear me much that what we are attempting to do here is something that not even the most expert equestrian ever would have dreamed of trying.

We have mounted with one foot the N.R.A., and under its terms are as rapidly as possible, in fact more rapidly than possible, attempting to increase the cost of all industrial products in this country; and we are considering in this bill putting our other foot upon the steed which is to lead us throughout the reaches of the world in search of markets, in which are now produced more cheaply than we can produce the products which we want to sell them. I fear if this bill is enacted we will find ourselves in the position of the N.R.A. horse going in the direction of higher production costs, and our trade agreement horse running in the exact opposite direction, and I leave it to the imagination of the Members of this body as to what is to happen in such a situation.

While I have put this in a somewhat facetious vein, it remains, nevertheless, a serious and dangerous fact that it will inevitably raise the cost of production if the President's policy of increasing wages and shortening hours is made effective, which it must be, if men are to have jobs at American wages in this country. The cost of production under the N.R.A. has already been increased; and if we attempt then to invade markets in countries which heretofore we could not get into because they could produce more cheaply than we could, it would require a feat of mental gymnastics to find an optimistic view of any such procedure that I find myself wholly incapable of performing.

Mr. Chairman, this whole thing just does not make sense; there are too many contradictions, too many direct opposites involved here for this thing to succeed.

I have presented problems here today to this House that have been agitating my mind, not because I want to find fault with the President or with the President's policies, but because I am sincerely and gravely concerned for the welfare of my country, and because I realize that Mr. Roosevelt has undertaken a task that requires almost superhuman strength and wisdom to perform. I am anxious that he make no mistake, because we have so utterly reposed in him the whole destiny of this great Nation and its people that a mistake on his part will be truly a tragic thing. Therefore, in opposing this, and the administration's proposal with respect to sugar, I do it because I sincerely want to bring, not only to his attention, but to the attention of his advisers, and to the people, the danger inherent here of a mistake which may wreck the future of the United States of America.

This is not something, Mr. Chairman, which may be undone in a day, once it is done. It is not something that can be done by Presidential order and then abandoned in 24 hours if it is found to be a mistaken policy. We are considering here giving the President power to negotiate treaties with other governments; and it is fairly to be presumed that the other governments will demand some notice, some consideration, if you please, before these treaties may be swept aside. Therefore, once the treaties are negotiated, regardless of their dire effect upon our people, or some of our people, the effects will have to be endured for a time, at least.

I was much impressed, Mr. Chairman, in listening to the address of the President to the assembled code authorities under the N.R.A. when he made it so clear that the thing he most wants, the thing he most needs, is constructive criticism. He does not want people to agree with him merely for the sake of agreeing with him. He wants people to disagree with him if they sincerely believe he is making a mistake; and I am convinced that in this case he is making a mistake, and the plan that I propose in lieu of this is to devote our every effort to the restoration of the purchasing power of the people within the continental limits of the United States and, after that has been accomplished, then deal as may seem wise with the question of expansion of exports at the expense of our domestic agriculture and industry.

Mr. Chairman, when we pause to consider that approximately 50 percent of our domestic consumption is paralyzed, and has been in that state for the past 2 or 3 years; and when we consider that at best the most we can hope for

from our foreign trade would be a market of perhaps 5 to 6 percent of our production, it seems incredible that anyone could consider trying to develop the 5 or 6 percent until the 40 or 50 percent had first been developed. Mr. Chairman, the 40 or 50 percent of the domestic market that remains to be restored is five times greater than the total combined export trade of the world that we could hope in our rosiest dreams to achieve at any time in the future.

It is not even suggested by the most ardent proponents of this bill that we can hope to recapture the whole of our foreign trade of former years. It is fair to say, I think, that if the average of our foreign trade was 10 percent of our products, that if we could get half of that back we would be doing well, in view of the fact that the purchasing power of the peoples of every country in the world has been steadily reduced along with that of the people of these United States. That would amount to approximately 5 percent of our total production. Suppose we get it back, does anybody for a moment believe that that would operate to restore in some magic manner the loss of the 50 percent of the domestic market and the reemployment of the millions who are now idle in this country? Of course not!

O Mr. Chairman, I could introduce figures and statistics here without end; I could prove my case many times over by reports from the Department of Commerce alone. I could go back through the tomes of testimony in the various hearings before both Houses of this Congress and I could prove my contention over and over again, and it all would mean nothing, because the fundamental problem involved here is the abandonment of our whole economic policy, under which this country has waxed great, and under which it would have continued to wax great if we had not permitted ourselves to become embroiled in that last awful war.

Involved here, Mr. Chairman, is the fundamental question of whether or not we are for all time to abandon almost the last vestige of constitutional government, and to desert the popular representative form of government under our Constitution; and secondly, whether we are to expose our farmers and our workers to competition of foreign farmers and workers and their lower standards of living; or whether we are to remain a self-contained nation, protected on three sides by thousands of miles of salt water; and it is those fundamental problems which are being decided in the adoption or the rejection of this bill.

How I wish I might find words to impress more strongly upon my colleagues what the Congress is contemplating doing here; how far-reaching the effects will be; what terrible mistakes may be wrought under this bill if it is passed; what utter misery may follow the maladministration or the mistaken administration of this act; what serious consequences may follow the misjudgment of some executive, and I do not mean by that the President, because, after all, it will not be the President's judgment which will be reflected in the decisions rendered. Why, Mr. Chairman, one might talk for hours and not complete the categories of the dire possibilities which may flow from the act of this Congress in regard to this bill.

Let us not do this thing, Mr. Chairman, because of which we shall see the setting suns of coming days fall aslant upon fallow fields where there should be the waving grain. Let us not do this thing which shall see desolation hovering over the factories where there should be the hum of happy human activities. Let us not do this thing which inevitably must condemn some portion of our population to idleness and to misery in order that some portions of foreign peoples may have plenty. Let us not embark upon this uncharted course in the stormy and dangerous seas of world trade and world entanglement at a time when our ship of state is threatening the perilous shoals of domestic unemployment. Let us retain unto ourselves this market of ours until such time as our own peoples are again restored to that income which means faith, security, food, shelter, clothing, peace before we attempt an experiment which at best can yield but little to the whole of our needs. Let us

remain self-contained; let us first consider our own; let us first restore our domestic markets; let us first reemploy our own citizens. And when that has been accomplished, Mr. Chairman, then, and then only, will the time have arrived when we may conscientiously and consistently, and with safety, cast our eyes again toward greater markets across the seas. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, the chairman of the committee having this bill in charge referred to it as an act to amend the Tariff Act of 1930. The ranking minority member of the committee referred to it as an act for the destruction of American industries. I am willing to make the prediction, Mr. Chairman, that in less than 6 months after its enactment it will commonly be referred to as a "trading-with-the-enemy act", and I truly believe this because of my knowledge of the people with whom we are going to deal on these agreements, which I know will become effective after this bill is enacted into law.

We in America have a different psychology concerning agreements from any other nation on earth, and particularly the European nations with whom we have made many agreements.

I do not believe that France, or England, or Belgium, or any of the other European nations, with one or two exceptions, who today owe us \$12,500,000,000 will live up to their so-called "trade agreements" any more quickly than they have lived up to their financial agreements with us.

A treaty or a trade agreement with France is nothing more than a scrap of paper. France will adhere to such an agreement if it is to her distinct benefit to do so, and if it is not, she will not. The same thing applies to England. They have repeatedly deliberately violated their agreements with us.

I happened to have been in Paris when the Paris Pact or the so-called "Kellogg Pact" was agreed upon. Why, the ink was not dry on that paper when England and France were deliberately and secretly conspiring to destroy our cruiser program. The very day that the Paris Pact was signed, they were in secret meeting to destroy our cruiser agreements.

Their trade agreements will be no more sacred than their financial treaties with us and should not be taken more seriously than the Japanese promises in China. They mean nothing to those people.

When France came over here and begged us for money and begged us for men we did not ask for a reciprocal treaty of some kind. We asked for no reciprocity. The Wilson administration at that time was convinced that the future democracy of the world was at stake and this took us into the World War, which was fought in vain. We did not suggest to France prior to going into the war that we wanted some reciprocity.

Mr. Chairman, granting to the President single-handed authority to bicker and trade independently and secretly with Old World nations will do more to provoke foreign entanglements than could any other act of the Federal Government.

The sound American tradition of treating all nations alike will be knocked into a cocked hat and the President, without the approval of the Senate, will make different agreements with various countries upon the same commodities which in turn will bring about international complications and prejudices, which may require many, many years of soothing diplomacy to overcome.

It should not be necessary for the United States to bicker with France or England for the exchange of raw or manufactured commodities to the disadvantage of our own industries when those countries already owe us billions of dollars under solemn agreements they have deliberately violated. To willfully destroy our protective tariff walls so as to permit the sale of foreign-made goods in the United States under the subterfuge that these sales will provide money with which the foreigner will in turn purchase American-

made goods is a fallacy of simple-minded trust in an unworthy direction.

If it is necessary for us to destroy our own industries in order to provide a trade agreement with France or England, then we had better confine our trade relations to the Western Hemisphere, under subsidies or tariff exemptions if need be.

Great Britain has repeatedly shown her disregard of treaties with us and the solemn promise of France has been shown to be as worthless as the Chinese promises of Japan.

To allow the present weak Department of State to negotiate independently with dozens of foreign governments for the interchange of commerce might prove so disastrous to some of America's industries that it could easily promote a folly in comparison with which the recent unfortunate cancellation of air-mail contracts would fade into obscurity. If President Roosevelt wishes to personally negotiate trade agreements with foreign powers, he already possesses all of the trump cards that are necessary for a game of this kind. Europe today owes the United States twelve and a half billion dollars upon which the Old World nations even refuse to pay us interest. We assisted a number of them to set themselves up as republics after the World War and in addition loaned them hundreds of millions of dollars in our simple feelings for their success. We undoubtedly preserved their very existence. In the case of France, we saved her from a most ignominious defeat and a slaughter of her humans which would have been unparalleled in the history of wars, and yet with a store of much more gold per capita than we ourselves have she refuses to pay even the interest on a debt of honor to us.

Mr. Chairman, in the face of all this, I cannot understand why our Government should place any credence in an agreement made at this time with a slacking, cheating, miserly, and unworthy nation like France. If she had shown the slightest disposition to meet her honorable agreements with us in the past, there might be some reason for having a little confidence in further treaties; but under the circumstances, France has shown herself to be a dishonorable, untrustworthy nation; and to think that she will now change is but placing childish confidence in the world's greatest racketeer.

The Roosevelt administration has now been in office more than a year, and I am sorry to say that it has shown little disposition to force the payment of at least the interest by our European debtors. Surely some way might be found to bring the interest payments up to date, if not the principal payments, now long past due. We should not be compelled by agreement to destroy American industries merely to be permitted to do business with European nations whose very existence we at one time held in the palms of our hands. They were on their knees then, begging for life. We should not be crawling on our knees to them now, begging for business. If they persist in going in their dishonorable paths, I, for one, am ready and willing to let them go. We can get along without them.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield to the gentleman additional time.

Mr. BRITTEN. You gentlemen realize I am not making a partisan speech, and I am not talking politics. I am trying to give you my viewpoint as I see Europe, having been over there 20 times and having lived there for months at a time.

Mr. DOUGHTON. Will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. DOUGHTON. In view of the initial statement of the gentleman that the bill should be labeled a "trading with the enemy act", and that France and England and the other countries will not live up to any of their agreements, and his statement that they violate all agreements and treaties—

Mr. BRITTEN. I did not say they violate all of them.

Mr. DOUGHTON. That was my understanding.

Mr. BRITTEN. I said that any treaty or agreement which we made with France that did not redound to her benefit she would violate, and I know she will.

Mr. DOUGHTON. Did not the gentleman say that the ink was not dry on some treaty before it was violated?

Mr. BRITTEN. No. I said the ink was not dry on the Paris Pact when France and England were in secret collusion to destroy our cruiser program.

Mr. DOUGHTON. I did not rise to debate that with the gentleman.

Mr. BRITTEN. No; and I yielded to the gentleman for a question.

Mr. DOUGHTON. In view of the gentleman's statement, may I ask whether he would favor the withdrawal of our ambassadors and the severing of all diplomatic relations with these countries which the gentleman says we cannot rely upon with respect to anything they may agree to?

Mr. BRITTEN. No; certainly not.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. BRITTEN. Will the gentleman yield me some time?

Mr. VINSON of Kentucky. I have not any time to yield the gentleman.

Mr. BRITTEN. Then I cannot yield.

Mr. Chairman, defaulting nations of Europe as of January 4, 1934, are indebted to the United States in the amount of \$12,352,498,355.47.

In this amount is included \$304,155,582.43 in principal, interest, and moratorium agreements, in which they are in complete default.

Austria, Belgium, Estonia, France, Hungary, Poland, Yugoslavia, and Germany have not paid interest and principal amounts under moratorium and pending agreements in amounts equaling \$108,559,354.14.

Czechoslovakia, Great Britain, Greece, Italy, Latvia, Lithuania, and Rumania have made unimportant token payments on moratorium and pending agreements, but they still are in default in the amount of \$195,596,228.29.

Mr. Chairman, when the European war debts were refunded it was agreed that the United States would accept Treasury notes of large denominations from the debtor countries.

For the benefit of the debtor and creditor alike, the funding agreements provided that upon notice from the United States these large Treasury notes or bonds would be exchanged for bonds of small denominations in detail and as requested by the Secretary of the United States Treasury. These bonds were to be paid in gold, and in the case of France it is specifically provided that she will assist us in marketing her small bonds in the marts of Paris.

It is, of course, understood that the small bonds so presented to the United States will be of maturity dates in conformance with the requirements of the funding agreement, thus falling due in small amounts annually.

If the United States Secretary of the Treasury had taken advantage of our right for small-denomination bonds directly after 1926 when the refunding agreements were signed, we undoubtedly would have sold those bonds in the world markets outside of the United States during the boom year, and the practice, once started, would have been continued, and today practically every European country would not be in default and the \$304,155,582.43 they are in arrears of payment would be in the United States Treasury instead of being an eyesore to us and a disgrace to Europe.

The funding agreements provide that those bonds would be identical in character and appearance as all other outstanding bonds in countries like France and England and would, of course, be marketable on the same basis as all other of their outstanding bonds and while it is possible that under circumstances such as exist today, the bonds might be selling below par but we could well afford to sell them at prevailing prices and have done away with all this talk about cancelation or reduction of war debts.

So I maintain, Mr. Chairman, that if the gentlemen on that side of the aisle are really sincere in their desire to force reciprocal trade agreements with Europe, you have the most powerful weapon in the world in your own hands—the obligation of these debtor nations which can be divided into bonds of small denomination and sold on the markets

of the world. It is up to the Roosevelt administration to ask for an exchange of those bonds.

I say we ought to do it now. We have never pressed our greatest financial opportunity. It was not done under the Hoover administration, and has not been done by the present administration. You ought to do it, for it is your greatest trump card. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Wyoming [Mr. CARTER].

Mr. CARTER of Wyoming. Mr. Chairman, I do not impugn the good intentions of the President in his request to Congress to authorize the Executive to enter into executive commercial agreements with foreign nations, but I cannot agree with his policy or the application of the principles of his policy which has been enunciated by Henry A. Wallace, Secretary of Agriculture, in his booklet entitled "America Must Choose."

The asking of Congress for power to negotiate and conclude tariff treaties without the consent of the Senate, without the guidance of the Tariff Commission, is bearing on absolutism, and is not in keeping with the spirit or intent of the preamble of the Constitution of the United States or the Constitution itself.

It has been a long well-established policy and long accepted by the American people not to involve themselves in foreign entanglements. History relates to us that greed, avarice, and intrigue form the background of most foreign nations, and nothing of such a nature is present in the background of our Nation. We have reached the great position we have in the world today by our own industry and effort, and there is no reason to subject the policies of other nations to our country.

The first witness who appeared at the hearings before the Committee on Ways and Means endorsing H.R. 8430 was Secretary of State Cordell Hull.

Secretary Hull is, in my opinion, a fine gentleman, but he is also, in my opinion, the most intolerant and arrogant free trader in the United States today. He is this country's gift to internationalism. His archaic delusions on the whole history of tariff make him a dangerous man in the high office which he holds. When the Secretary of State was a Member of this body and a Member of the Senate practically all his speeches were for free trade and against protection, and he particularly centered his attack on the wool industry which means so much to the Western States.

Under the protection of the Smoot-Hawley tariff bill the importation of wool has dropped from the value of almost \$50,000,000 to the approximate value of \$7,000,000 for the year 1933. I am for a higher tariff on wool to keep out the \$7,000,000 worth of wool that was imported in 1933. Prophesying the future by his acts in the past, I predict that Secretary Hull will continue his attacks on the wool industry.

Secretary Wallace, the second witness called to defend this bill, is according to his own statement an internationalist. In his booklet, *America Must Choose*, published last month, page 2, he states:

My own bias is international. It is an inborn attitude with me. I have very deeply the feeling that nations should be naturally friendly to each other and express that friendship in international trade.

And on page 33 of the same publication Secretary Wallace states as follows:

The internationalist does not regard loans as the only means of brightening those prospects and enlarging them. He holds that there is no possible way of making loans eventually secure unless we become import-minded. He would rather trust to tariff concessions and other means of developing trade reciprocity. * * * I lean to the international solution.

In regards to the cattle and dairy industry, page 9, he says:

Two or more years ago a number of observers, myself among them, were warning American beef cattlemen and the dairymen to look out for overproduction of milk and beef in 3 or 4 years. We said that the tariff, which has been somewhat effective on dairy and beef products during the greater part of the last 5 or 6 years, was certain to be almost completely ineffective when our production passed a certain point.

Since the Smoot-Hawley tariff bill became effective the value of imported cattle has dropped from an average of around \$20,000,000 to about one half a million dollars in 1933. A reciprocal tariff agreement on beef cattle would wreck the cattle industry that at present is having a hard time to keep its head above water.

Let us take a further slant on the views of Secretary Wallace. Again quoting from his own statements, page 18, he says as follows:

Traditionally the Democratic Party is the party of low tariffs. Actually Democratic administrations have never made changes in the tariff structure great enough to increase foreign purchasing power to the extent demanded by the present world dilemma. If we are going to increase foreign purchasing power enough to sell abroad our normal surpluses of cotton, wheat, and tobacco at a decent price, we shall have to accept nearly a billion dollars more goods from abroad than we did in 1929. We shall have to get that much more in order to service the debts that are coming to us from abroad and have enough left over to pay us a fair price for what we send abroad.

That will involve a radical reduction in tariffs. That might seriously hurt certain industries and a few kinds of agricultural businesses, such as sugar-beet growing and flax growing. It might also cause pain for a while to woolgrowers and to farmers who supply material for various edible oils. I think we ought to face that fact. If we are going to lower tariffs radically, there may have to be some definite planning whereby certain industries or businesses will have to be retired.

The newspapers today are carrying an account of the storm that is brewing between the dairy marketing organization and the Secretary of Agriculture.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CARTER of Wyoming. Yes.

Mr. VINSON of Kentucky. Referring to Secretary Wallace's attitude as that of an internationalist, he has been Secretary of Agriculture since March 1933. Can the gentleman point to any policy under the A.A.A. promulgated by him that savors of internationalism?

Mr. CARTER of Wyoming. No; but I am taking his own words for it.

Mr. VINSON of Kentucky. I understand that; but I am talking about the policies under his leadership. Curtailment of production is the antithesis of internationalism.

Mr. CARTER of Wyoming. And that is the reason why I cannot see how he comes out and endorses this bill, which favors internationalism, and at the same time he is in favor of the A.A.A. There is a great inconsistency there. I cannot see how he can back one bill which favors nationalism and then a few weeks later back a bill that favors internationalism.

Mr. VINSON of Kentucky. To be fair with the Secretary, the gentleman has not read all of that pamphlet, because in that pamphlet he deals with nationalism as well as internationalism.

Mr. CARTER of Wyoming. I cannot yield further.

This view is in keeping with his testimony before the Senate Finance Committee a few weeks ago when the sugar quota bill was up for discussion, when he said he could visualize the destruction of the sugar-beet industry.

Whom would the President turn to for advice, aid, and comfort when reciprocal agreements on agriculture are up for consideration but to the Secretary of State and Secretary of Agriculture? Their personal views are against wool, sugar beets, and beef cattle, the chief industries of the West. They cannot but help reflect their own personal views to the President which will mean the retarding of these industries, a great blow to the economic recovery of the West.

I believe in economic nationalism. I was born an American. I can never be anything else but an American, and I think first of the United States.

We are the most self-sufficing nation in the world today. The talk of sending our surplus abroad when we have millions of unemployed men and women in this country depending on charity for food is appalling to me.

What we need is proper distribution and balance. Create our own national economy so we will not be disturbed by what goes on in the outside world. This cannot be done

through reciprocal agreements, which will throw our gates open to foreign trade and create more unemployment.

The purpose of the Agricultural Adjustment Act was to bring production of products in proportion to consumption. This bill will mean the importation of hundreds of millions of dollars worth of products. The Secretary of Agriculture endorses both, although diametrically opposed in policy. This seems most inconsistent to me.

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

FOLLOWING PRESIDENT ROOSEVELT'S LEADERSHIP

Mr. SMITH of Washington. Mr. Chairman and members of the Committee, I am convinced that the fears and views of the gentlemen of the minority side, who have just preceded me, Mr. CARTER, of Wyoming, Mr. BRITTEN, of Illinois, and Mr. WOODRUFF, of Michigan, are unfounded.

During my service as a Member of this body from March 9, 1933, when Congress was convened in special session, down to this present moment, I have loyally and diligently supported to the utmost of my ability and energy each and every major legislative proposal of President Franklin D. Roosevelt, with the single exception of veterans' legislation, in regard to which I pledged myself in the preelection campaigns in 1932, and that pledge, as well as every other pledge I then made to the citizens of the Third Washington District, I have faithfully kept.

PRESIDENT ROOSEVELT'S MESSAGE

President Roosevelt in his message proposing this legislation said:

Every nation must at all times be in a position quickly to adjust its taxes and tariffs to meet sudden changes and avoid severe fluctuations in both its exports and its imports. * * * The executive branches of virtually all other important trading countries already possess some such power. * * * The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. * * * From the policy of reciprocal negotiation which is in prospect, I hope in time that definite gains will result to the American agriculture and industry.

WILL FOLLOW PRESIDENT ROOSEVELT AGAIN

Mr. Chairman, I intend to follow the leadership of President Roosevelt again today and vote in favor of this measure to grant him the necessary authority to negotiate reciprocal trade agreements with foreign nations and to modify and change our tariff duties, because it is my firm conviction that he will exercise that authority for the benefit and welfare of the American people in the same salutary manner and extent as all his other official acts since his inauguration a year ago.

PRESIDENT ROOSEVELT'S ACTION ON DEPRECIATED FOREIGN CURRENCY

Mr. Chairman, I am not unmindful, nor are the people of southwest Washington whom I have the honor to represent in Congress during this most crucial period in our national history, of the prompt and decisive action of President Roosevelt last spring in taking the United States off the gold standard and thereby protecting American labor, industry, and agriculture against the unfair competition resulting from the depreciated foreign currencies. For several years previously the average depreciation of world currency was 39 percent, and our average tariff rate 16.4 percent, so that our tariff duties were completely nullified, and, as a direct result, foreign manufacturers successfully invaded our markets, for not only was the advantage derived from the difference in exchange sufficient to absorb the tariff, but all the costs of transportation, brokerage commissions, and expenses of every kind as well. In southwest Washington this situation demoralized and threatened to destroy the lumber, pulp, shingle, and fish industries, but the Hoover administration did absolutely nothing to meet this serious menace.

PRESIDENT ROOSEVELT'S ACTION BENEFICIAL TO SOUTHWEST WASHINGTON

President Roosevelt acted promptly and effectively; and almost immediately the stimulation was felt in all lines of industry and business in my district, and there commenced that recovery and improvement in conditions which is still in progress. President Roosevelt's recent action, heartily

supported by Congress, in devaluating the gold dollar and establishing a currency stabilization fund of \$2,000,000,000 will serve to further protect our industries against depreciated foreign currencies in the future.

Mr. Chairman, we therefore have abundant cause and good reason for our belief that President Roosevelt will discharge the prerogatives conferred upon him by this legislation in the interests and for the fair advantage of our own people.

DEMOCRATS IN FAVOR OF TARIFF ON LUMBER

Mr. Chairman, we, in the State of Washington, in common with the entire West, owe little or nothing to the party of Hoover, Coolidge, and Harding, so far as tariff protection is concerned. In the Fordney-McCumber Tariff Act of 1922 and the Hawley-Smoot Tariff Act of 1930, rough lumber was on the free list, with no duty whatever, and during this period our State's congressional representation, in both Houses, was almost entirely Republican. In 1930, when they had an overwhelming majority, the vote in the Senate was so close that the paltry \$1 duty on dressed lumber was carried by the single vote of Senator COPELAND, of New York, a Democrat. In 1932, the \$3 duty on rough lumber was attached to the revenue bill with duty on copper, coal, and oil, when the West and South combined against the East, which had dictated tariff policies and legislation for many years, and placed no duties upon any important industrial or agricultural product produced or manufactured west of the Mississippi River, but imposed exorbitant duties on the manufactured goods of the extreme Eastern States.

In 1932 when the \$3 duty was placed on rough lumber, 12 Democratic Senators led by Senator DILL voted for the lumber tariff and 5 other Democratic Senators were paired for the tariff on lumber; total, 17 Democrats in all. Eleven Republicans voted "no" and 10 Republicans were paired against it, making a total of 21 Republicans opposed to the lumber tariff. On May 31, 1932, the Senate voted on the motion to reconsider the vote by which the lumber tariff was adopted; 19 Democrats voted "no" and 13 Republicans voted "aye." (See p. 12020 of the CONGRESSIONAL RECORD.) This degree of protection, as we have already noted, was completely nullified by the increasing depreciation in foreign currencies until President Roosevelt and Congress took the United States off the gold standard.

PRESIDENT ROOSEVELT FAVORS ADEQUATE TARIFFS—LUMBER

Adequate safeguards are needed to protect our American standards of labor, industrial as well as agricultural. A tariff is still essential to meet those safeguards and to produce revenue—

are the words of President Roosevelt, and we in the Far West believe that in reciprocal trade agreements negotiated under this act lumber and shingles will receive full and just consideration.

To cite the benefits of preferential trade agreements, the following shows the trend of export business of British Columbia as compared, with the States of Oregon and Washington before and following the trade agreements between the British countries:

Year:	British Columbia		Washington and Oregon	
	Preferential market	Open market	Preferential market	Open market
	Percent	Percent	Percent	Percent
1928	5.9	13.1	15.0	66.0
1929	7.0	12.8	18.2	62.0
1930	10.8	14.6	18.9	55.7
1931	12.0	16.1	11.5	60.4
1932	27.4	13.2	7.0	52.4
1933	33.2	16.3	5.5	45.0

This data has been supplied by Mr. L. E. Force, of Douglas Fir Co., Seattle, as the spokesman for the operators of 91 sawmills in the States of Washington and Oregon.

In negotiations with Great Britain, Canada, and Australia, lumber must be protected if this important major industry is to survive, following the severe test to which it has been subjected in recent years. There is no other industry in the United States which needs assistance more than the lumber industry at the present time and as it constitutes a national-

resources industry, and is the basic industry of the Pacific Northwest, it is deserving of every possible consideration, equally important with cotton, tobacco, hog products, rice, cereals, and agricultural commodities.

SHINGLE INDUSTRY NEEDS PROTECTION

Shingles, now duty free, must be considered in reciprocal trade agreements with Canada. There are 240 red-cedar shingle mills in the States of Washington and Oregon, scattered in as many communities, employing 3,500 skilled employees in actual manufacturing and approximately 2,200 men employed in the logging camps supplying these mills with cedar logs. When these mills and camps are in operation their total pay roll is \$28,000 per day. The daily expenditures of the shingle mills alone for saws and supplies is estimated at \$18,000 per day. The daily freight revenue developed in the shipment of the manufactured shingles is approximately \$26,500 per day. Total, \$73,000 per day, or figuring 25 working days, \$1,725,000 per month. These figures have been furnished to me by Mr. Charles McGrath, secretary-manager of the Washington & Oregon Shingle Association, and I have every confidence that they are correct.

Mr. Chairman, this important industry is fighting for its very existence, threatened with extinction by the competition of the shingles manufactured by the cheap Hindoo and Chinese coolie labor of British Columbia, while our shingle industry was one of the very first industries in the United States to get wholeheartedly behind the N.R.A. and give it immediate, 100-percent support, and thereby it is seriously handicapped and facing bankruptcy and a complete shutdown. The shingle manufacturers of Washington, Oregon, and British Columbia, realizing the situation and that an absolute embargo will otherwise have to be placed against Canadian shingles, agreed several months ago upon an import allocation of 20 percent for British Columbia and 80 percent for the United States, but this agreement, providing for an import allocation certificate, has to be confirmed and carried out under the auspices of the United States Customs Offices, but must first be investigated upon proper complaint to the import division, referred to and heard by the United States Tariff Commission, and eventually go to the President for final decision, which forcibly illustrates the interminable red-tape which President Roosevelt mentions in his message and which he is seeking to avoid by the enactment into law of this legislation. During this protracted delay, what is transpiring?

The entire Pacific Northwest watches in amazement the inability of the American mills to operate and produce their 80 percent of the consumption, whereas the Canadian manufacturers, exempt from any of the restraints of the N.R.A., are shipping into the United States huge and increasing volumes of shingles, far in excess of their 20-percent quota. The following table will illustrate the situation:

	American allocation (80 percent)	American production	British Columbia imports allocation (20 percent)	Actual imports U.S. Customs figures
1933:	Squares	Squares	Squares	Squares
September	280,000	291,488	70,000	145,218
October	518,040	332,304	123,510	145,404
November	233,072	179,808	58,270	116,738
December		171,515		73,930
1934: January		117,325		74,145

Calling to mind that one of the primary purposes of the N.R.A. is to increase and spread employment, the next statement is worthy of emphasis: Every 30 squares of shingles imported throws 4 American shingle-mill employees out of work for 1 day.

THIS LEGISLATION A WEAPON OF DEFENSE

Mr. Chairman, the plight of the lumber and shingle industry, as well as the agricultural and fish industries in the Pacific Northwest, furnishes striking justification for our placing in the hands of President Roosevelt this weapon which he can, and will, wield in defense of the rights and

interests of American labor, American industry, and American agriculture. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HENNEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 8687, the tariff bill, 1935, had come to no resolution thereon.

BRIDGE ACROSS MISSISSIPPI RIVER NEAR BATON ROUGE, LA.

Mr. WILSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3067) granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Mississippi River at or near Baton Rouge, La.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana [Mr. WILSON]?

Mr. SNELL. Mr. Speaker, reserving the right to object, this is the bill which the gentleman spoke to me about, which was reported out by the gentleman's committee favorably?

Mr. WILSON. Yes, sir; that is the same bill.

Mr. SNELL. There is no objection, Mr. Speaker.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Louisiana Highway Commission, an administrative body created and acting under the constitution and laws of the State of Louisiana, to construct, maintain, and operate a free highway bridge, or a railway bridge in combination with a free highway bridge, and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, at or near Baton Rouge, La., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL, FISCAL YEAR 1935

Mr. GOSS. Mr. Speaker, I should like to ask the majority leader a question. Many Members have asked, if the Senate should act on the independent offices appropriation bill, whether there will be any disposition on the part of the majority leader to have that bill called up tomorrow.

Mr. BYRNS. I will state that I talked with the gentleman from Virginia [Mr. Woodrum], chairman of the subcommittee, today with a view of learning just what would be done. The gentleman assured me that under no circumstances would he ask for any action before Monday upon that bill, regardless of what the Senate may do or when it may act.

UNITED STATES SHOULD GRANT COMPLETE INDEPENDENCE TO THE PHILIPPINES

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record on the United States granting complete independence to the Philippines.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BEITER. Mr. Speaker and Members of the House, in the short time that I am privileged, by unanimous consent, to address the House, I shall deal with one of the outstanding legislation achievements of the present Congress—the grant of independence to the Philippines, the bill having passed the Senate yesterday by a vote of 68 to 8, and is now awaiting the signature of the President at the White House.

In discussing the question of independence for the Philippine Islands, there are two main lines of argument. One is based upon the familiar declaration "that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these rights are life, liberty, and the pursuit of happiness; that to secure these rights governments are instituted among men, deriving their

just powers from the consent of the governed." The other is based upon the theory that the Philippines are not capable of self-government, and, coming to us through a treaty of peace with Spain, are a national charge for which we must remain responsible.

Those who claim that it is our duty to deny self-government to the Philippines argue that we are more capable of deciding what are the rights of the islanders to life, liberty, and the pursuit of happiness than they are themselves; that they came into our hands through an act of Providence; that the great expansion of the Orient makes it advantageous to hold the islands as a vantage point in the world's competition; and that our protectorate will advance the cause of Christianity.

When we analyze these claims, we find them based only on our own supposed advantage, not that of the natives. There is no wish to give them the benefits of that independence which has been our boasted heritage for nearly a hundred and fifty years.

But this is a question of right and justice and not of sentiment. We cannot ignore this element of right and wrong by substituting selfish interests under the disguise of providential care. Monarchical governments claim the right to hold and govern without considering subjects' claims. Republics hold that this doctrine is despotic, and cannot be tolerated in any measure whatever. Either it is self-government or it is government by others. Because we stand upon a certain high plane of power and influence does not imply the right to trespass upon those who occupy a lower plane.

From a standpoint of our own history we recognize the wrong, but then we argue that our history cannot apply to the Philippine Islands. We were capable of self-government, but these people are not. When we make this claim, we take the same stand as that taken by King George in 1776. It is an identical situation. Parliament sought to retain sovereignty of the American Colonies and a war of conquest ensued. Our ancestors won, and the Declaration of Independence has ever since been the bulwark of our liberties.

The people of the Philippines have repeatedly sought to establish the same rights of self-government. They fought Spain for their freedom for more than 100 years. Rebellion has marked the early history of this people just as it marked our own. Is it in keeping with the traditions and spirit of America to deny them what we consider our most priceless possession?

The assertion that only politicians desire independence for the Philippines is perilous stuff to be circulated in this country. It is untrue and misleading. These people have a background of 350 years of struggle for liberty. They have their historic heroes as dear to them as Winkleried to the Swiss and Emmet to the Irish. They have their records of brave deeds, wonderful sacrifices, daring revolutions. American history, taught in their schools for 22 years, has fortified and increased their own love of freedom. They have set their hearts upon independence and nationality and will never be satisfied with anything else. We may, if we please, shoot them into submission, but we cannot kill their aspirations. For all our guns and all our troops, they will henceforth be our reluctant subjects.

The people of the Philippines received with deep resentment the news of the findings of the Wood-Forbes mission. The substance of this report consists, in plain terms, of reasons discovered why we should disregard our promises and keep the islands. When this fact was discovered by the natives, only the swift and skillful efforts of their leaders prevented a popular demonstration that would have left the people of the United States in no uncertainty as to the real feelings of the islanders.

One phase of the contest Americans at home will easily understand if they will look beneath the arguments urged against independence. Nothing could be simpler. Under American rule, Philippine products are admitted to the United States duty free, with the result that a large trade has been developed in Philippine staples. With independence, American tariff duties would be effective against all

these, and American capital invested in them would suffer loss. And what are these staples? Tobacco, sugar, hemp, lumber, and vegetable oil. And to what doors do these investments lead? To the greatest and most powerful financial interests in America. And how far off are the interests that induced us to intervene in Haiti? Not a block. Should not this open all our eyes?

Of two other facts in our relations with this people we can be reasonably sure. First, the agitation for independence will grow until we can no longer ignore or belittle it. Second, if that crisis shall require the armed force of the United States again to confront a people struggling to be free, it will be no excursion for pleasure. An ill country is this for white men to fight in.

By the act of August 29, 1916, the United States pledged itself to grant independence to the Philippines "as soon as a stable government can be established therein." Of other conditions, not a word. For more than 10 years the people of the Philippines have conducted a government that rests upon their own mandate. Has it been stable?

President McKinley said that a stable government was "one capable of maintaining order and observing its international obligations, insuring peace and tranquillity, and the security of its citizens." Judged by these standards, no more stable government has existed anywhere for these 10 years. The Philippines have fulfilled their part of the contract. We must fulfill ours or violate it, and that in short order.

H.R. 3842—THE PASSAGE OF THIS IMPORTANT AMENDMENT TO THE IMMIGRATION LAWS, WHICH HAS BEEN PENDING FOR THE PAST 10 YEARS, WILL STOP THE ANNUAL SMUGGLING INTO THE UNITED STATES OF 50,000 ALIENS AS "SEAMEN"

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks with regard to H.R. 3842.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, the purpose of this legislation, which has been sought for the past decade by the American Federation of Labor and by the International Seamen's Union of America, is to put a stop to the smuggling of aliens into the United States under the guise of seamen. The official records show that during the past 25 years in excess of 500,000 so-called "seamen" deserted vessels entering our ports and remained in the country in violation of our immigration and exclusion laws. Considerable sums of money—in some cases as high as \$1,100—have been paid by Chinese in order to obtain entrance to the United States in this unlawful manner.

THE PAST HISTORY OF THIS LEGISLATION

I quote from the veteran Member from Illinois [Mr. SABATH]:

I am, indeed, pleased that I have a chance for the first time to favor the adoption of this bill on the floor of this House, because up to this session . . . the bill never was reported by the former Chairman of the Committee on Immigration [Mr. JOHNSON]. . . . Whenever we had the bill up in our committee he would invariably find many excuses for not reporting it to the House. So for nearly 10 years, although a majority of the Committee on Immigration was in favor of the bill, we never could get consideration of it on the floor of the House.

In the Seamen's Journal, May 1931, appears the following:

WHO STRANGLED THE KING BILL?

Additional information has been received concerning the somewhat mysterious defeat of the King bill.

Jim Eagan, Washington labor writer, who has a penchant for analyzing things, has supplied the following descriptive comment:

"The King bill was strangled in the House during the final hours of the last Congress. The bill passed the Senate three times. It was intended to stop the annual bootlegging of 50,000 aliens who are smuggled into this country as 'seamen.' Europeans pay from \$200 to \$400 to get in. Chinamen pay \$1,100. When the seamen arrive at an American port, they quietly step ashore and are lost in the large cities. The graft for shipowners is almost as profitable as smuggling opium.

"The bill died in the lap of Speaker Longworth, who refused to recognize any Member for the purpose of presenting a motion that the bill be voted on. The Speaker said he was informed by the Department of State that European nations protested against the bill. Mr. Longworth should have known that it was not his duty to pass judgment on international features of a

bill that is before him. It was his duty to permit a vote—which he refused—and then transmit the bill to the President.

"Congressman Johnson of Washington, Chairman of the House Committee on Immigration, gets the blue ribbon as a shipowners' ally. He was caught red-handed dealing from the bottom, and was accused on the floor of the House with urging Congressmen to vote against the bill which his committee forced him to report.

"Johnson poses as a 100-percent American and as a foe of immigration that beats down American living standards. His work for the shipping interests was exposed, and angry colleagues flung into his teeth that he is a trimmer and a double crosser."

MY SUPPORT AND VOTE FOR THIS LEGISLATION—LETTER FROM ANDREW FURUSETH

Mr. Speaker, it has afforded me genuine pleasure to actively support and vote for this meritorious immigration measure; and I shall always treasure and take pride in possessing a letter which I have had the honor to receive from Andrew Furuseth, veteran president of the Seamen's Union, the grand old man of organized labor, who for many years has been fighting for this type of immigration legislation to protect the real, bona fide seamen of the United States and prevent the smuggling of large numbers of Asiatics, Mexicans, and other aliens into this country. Mr. Furuseth writes me under date of March 10, 1934:

Please receive the sincere thanks from the seamen and from myself, who transmits it, for your action in voting for, and in making an effort to get others to vote for the bill which the former Congressman from your district succeeded in keeping from the consideration of the House for 10 years.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ADAMS, for today, on account of important business.

To Mr. SNYDER, for 2 days, on account of important business.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 257. An act to authorize full settlement for professional services rendered to an officer of the United States Army;

H.R. 6604. An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels, and for other purposes;

H.R. 8573. An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes; and

H.J.Res. 207. Joint resolution requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p.m.) the House adjourned until tomorrow, Saturday, March 24, 1934, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

MARCH 5, 1934.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, OSCAR DE PRIEST, move to discharge the Committee on Rules from the consideration of the resolution (H.Res. 236) entitled "A resolution to prevent discrimination", which was referred to said committee January 24, 1934, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Oscar De Priest
2. John H. Hoeppel
3. Joseph A. Gavagan
4. Martin J. Kennedy
5. P. H. Moynihan
6. Harold Knutson
7. Thomas J. O'Brien
8. Fred C. Gilchrist
9. John T. Buckbee
10. Loring M. Black
11. James J. Lanzetta
12. Everett M. Dirksen
13. J. William Ditter
14. Elmer E. Studley
15. George R. Durgan
16. A. Piatt Andrew
17. U. S. Guyer
18. E. L. Stokes
19. C. C. Dowell
20. Wm. Lemke
21. I. H. Dourich
22. F. H. Shoemaker
23. Knute Hill
24. W. G. Andrews
25. R. O. Woodruff
26. J. G. Cooper
27. Magnus Johnson
28. Henry Arens
29. T. C. Cochran
30. Clyde Kelly
31. James Simpson, Jr.
32. K. E. Keller
33. F. A. Britten
34. L. T. Marshall
35. G. W. Blanchard
36. T. F. Ford
37. W. E. Evans
38. R. R. Eltse
39. A. E. Carter
40. William E. Hess
41. Harry C. Ransley
42. W. I. Traeger
43. S. L. Collins
44. T. A. Jenkins
45. L. E. Allen
46. W. J. Granfield
47. P. J. Kvale
48. James Wolfenden
49. C. A. Wolverton
50. F. T. Maloney
51. James J. Connolly
52. Walter Nesbit
53. George W. Edmonds
54. Michael J. Muldowney
55. Theodore Christianson
56. Hamilton Fish, Jr.
57. James M. Beck
58. Ernest Lundeen
59. John J. Delaney
60. J. Will Taylor
61. Alfred M. Waldron
62. William H. Sutphin
63. Herman P. Kopplemann
64. James H. Sinclair
65. Henry Ellenbogen
66. Sol Bloom
67. Fred H. Hildebrandt
68. Vincent Carter
69. Louis T. McFadden
70. G. R. Withrow
71. G. H. Tinkham
72. F. A. Hartley
73. S. A. Rudd
74. W. P. Connery, Jr.
75. F. H. Foss
76. P. G. Holmes
77. Harold McGugin
78. C. L. Beedy
79. W. F. Brunner
80. P. A. Cavicchia
81. C. R. Hope
82. J. P. Wolcott
83. C. A. Plumley
84. E. W. Goss
85. C. M. Bakewell
86. R. B. Wigglesworth
87. E. N. Rogers
88. D. L. Powers
89. Isaac Bacharach
90. M. A. Dunn
91. A. L. Somers
92. M. L. Sweeney
93. C. M. Weideman
94. B. K. Focht
95. Thomas O'Malley
96. Emanuel Celler
97. J. W. McCormack
98. J. H. Swick
99. A. D. Healey
100. C. E. Hancock
101. G. J. Boileau
102. J. F. Dockweiler
103. J. B. Hollister
104. G. P. Darrow
105. W. D. Thomas
106. W. P. Lambertson
107. R. T. Secrest
108. F. B. Condon
109. F. P. Kahn
110. G. A. Dondero
111. P. A. Goodwin
112. T. A. Peyser
113. A. F. Beiter
114. J. H. Burke
115. R. P. Chase
116. C. J. McLeod
117. John Taber
118. Jennings Randolph
119. G. W. Lindsay
120. B. B. Harlan
121. Joseph W. Martin, Jr.
122. Carl E. Mapes
123. S. Merritt
124. Charles L. Gifford
125. J. Banks Kurtz
126. R. J. Welch
127. A. P. Lamneck
128. Thomas H. Cullen
129. Robert Luce
130. Frank Oliver
131. Francis D. Culkin
132. Harry P. Beam
133. Edward A. Kelly
134. Ambrose J. Kennedy
135. Nathan L. Strong
136. Robert Crosser
137. Chester C. Bolton
138. George Burnham
139. Gale H. Stalker
140. Charles D. Millard
141. Robert L. Bacon
142. James L. Whitley
143. Einar Hoidale
144. H. H. Peavey
145. George N. Seger

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, March 23, 1934.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

389. A letter from the Acting Secretary of the Navy, transmitting a report of the disposition of useless papers and records in the files of navy yards, naval stations, etc., during the calendar year 1933; to the Committee on Disposition of Useless Executive Papers.

390. A letter from the Architect of the Capitol, transmitting the annual report of the Architect of the Capitol for the fiscal year ended June 30, 1933 (S.Doc. No. 158); to the Committee on Public Buildings and Grounds and ordered to be printed.

391. A letter from the Acting Postmaster General, transmitting a report of the facts in the claim of Mr. Charles M. Perkins, postmaster at Seattle, Wash., for credit on account of loss sustained by robbery on December 23, 1931, with the recommendation that authority be granted to credit the postmaster in his postal account with \$14,897.66, the amount of money lost in the robbery; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. H.R. 8525. A bill to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of classes A and B in residential districts; without amendment (Rept. No. 1039). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee on the District of Columbia. S. 193. An act to amend section 536c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions", approved March 2, 1929; without amendment (Rept. No. 1040). Referred to the House Calendar.

Mr. KENNEDY of Maryland: Joint Committee on the Disposition of Useless Executive Papers. Report No. 1041. Disposition of useless papers in the Government Printing Office. Ordered to be printed.

Mr. CONDON: Committee on the Judiciary. H.R. 7597. A bill declaring November 11 a legal public holiday, to be known as "Armistice Day"; with amendment (Rept. No. 1043). Referred to the House Calendar.

Mr. CARTWRIGHT: Committee on Roads. H.R. 8781. A bill to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes; with amendment (Rept. No. 1044). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Indian Affairs. H.R. 4808. A bill granting citizenship to the Metlakatla Indians of Alaska; with amendment (Rept. No. 1045). Referred to the House Calendar.

Mr. PALMISANO: Committee on the District of Columbia. S. 2089. An act to amend the Code of Laws for the District of Columbia, approved March 3, 1901, as amended (D.C. Code, title 5, ch. 3), relating to building and loan associations; with amendment (Rept. No. 1046). Referred to the House Calendar.

Mr. HARLAN: Committee on the District of Columbia. S. 1820. An act to amend the Code of Law for the District of Columbia; without amendment (Rept. No. 1047). Referred to the House Calendar.

Mr. WILSON: Committee on Interstate and Foreign Commerce. H.R. 8661. A bill granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Mississippi River at or near Baton Rouge, La.; without amendment (Rept. No. 1048). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. O'CONNOR: A bill (H.R. 8805) relating to bonds for the protection of banks whose deposits are insured under section 12B of the Federal Reserve Act; to the Committee on Banking and Currency.

Also, a bill (H.R. 8806) to prevent Government officials from accepting any fidelity or surety bond running to the United States in certain cases, and for other purposes; to the Committee on the Judiciary.

By Mr. MARTIN of Oregon: A bill (H.R. 8807) relating to the cancelation of star-route mail contracts; to the Committee on the Post Office and Post Roads.

By Mr. HOWARD (by Department request): A bill (H.R. 8808) authorizing the exchange of the lands reserved for the Seminole Indians in Florida for other lands; to the Committee on Indian Affairs.

By Mr. FISH: A resolution (H.Res. 312) directing the Director of the Budget to furnish various information to the House of Representatives; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. CARMICHAEL: A bill (H.R. 8809) for the relief of J. S. Smith and J. W. Smith, a firm doing business under the name of J. G. Smith & Sons, of Mount Hope, Lawrence County, Ala.; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H.R. 8810) for the relief of Carl Coss; to the Committee on Military Affairs.

Also, a bill (H.R. 8811) for the relief of Howard Anthony Berry; to the Committee on Naval Affairs.

By Mr. FITZPATRICK: A bill (H.R. 8812) for the relief of Herluf F. J. Ravn; to the Committee on Claims.

By Mr. GRIFFIN: A bill (H.R. 8813) for the relief of David Schaul; to the Committee on Naval Affairs.

Also, a bill (H.R. 8814) for the relief of John Joseph Machias; to the Committee on Naval Affairs.

By Mr. JOHNSON of Minnesota: A bill (H.R. 8815) to provide refund of overpayment of income tax to the Maple Lake Farmer's Creamery during years 1914 to 1926 inclusive; to the Committee on Claims.

By Mr. MCCARTHY: A bill (H.R. 8816) for the relief of the Randall National Bank, of Randall, Kans.; to the Committee on Claims.

By Mr. MCFARLANE: A bill (H.R. 8817) for the relief of H. B. Van Emden; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3198. By Mr. BEITER: Petition of the Marine Engineers Beneficial Association of Buffalo, N.Y., urging enactment of House bill 7979; to the Committee on Merchant Marine, Radio, and Fisheries.

3199. Also, petition of the Radio Workers Federal Labor Union, No. 18479, Buffalo, N.Y., urging favorable consideration of Wagner labor and Connery 30-hour bills; to the Committee on Labor.

3200. By Mr. EDMONDS: Petition of the Philadelphia Board of Trade, opposing the National Securities Exchange Act; to the Committee on Banking and Currency.

3201. By Mr. FOCHT: Petition requesting favorable action on Patman motion-picture bill (H.R. 6097); to the Committee on Interstate and Foreign Commerce.

3202. By Mr. JAMES: Resolution of Burt Township Board, Grand Marais, Mich., through Matt Nyman, clerk, favoring construction of highway running along south shore of Lake Superior from Sault Ste. Marie to points west; to the Committee on Roads.

3203. By Mr. JOHNSON of Texas: Petition of L. T. Murray, secretary and general manager of the Texas Cotton Association, Waco, Tex., favoring readjustment of tariff; to the Committee on Ways and Means.

3204. By Mr. KINZER: Resolution from the Woman's Christian Temperance Union of Lititz, Pa., petitioning for

higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

3205. By Mr. LINDSAY: Petition of Abraham & Strauss, Inc., Brooklyn, N.Y., opposing the passage of the Wagner-Connery bills (S. 2926 and H.R. 8423); to the Committee on Labor.

3206. Also, petition of H. L. Judd Co., New York City, opposing the passage of the Wagner Trade Disputes Act, the Fletcher-Rayburn securities bill, and the reciprocal tariff bill; to the Committee on Ways and Means.

3207. Also, petition of Central Trades and Labor Council of Greater New York and vicinity, New York City, protesting against wage reductions and payless furloughs; to the Committee on Appropriations.

3208. Also, petition of the Building Trade Department, American Federation of Labor, Washington, D.C., concerning the Steagall bill (H.R. 8403); to the Committee on Banking and Currency.

3209. Also, petition of Warner & Co., 120 Broadway, New York City, urging certain changes in the Fletcher-Rayburn stock exchange regulation bill; to the Committee on Ways and Means.

3210. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., opposing Senate bill 2616 and House bill 7659; to the Committee on Ways and Means.

3211. Also, petition of Dugan Bros., Inc., Brooklyn, N.Y., opposing the Wagner-Connery bills (S. 2926 and H.R. 8423); to the Committee on Labor.

3212. Also, petition of F. H. Von Damm, 898-908 Grand Street, Brooklyn, N.Y., concerning the Wagner-Connery bills; to the Committee on Labor.

3213. Also, petition of the Armstrong Cork Co., Lancaster, Pa., opposing House bill 8430, to amend the Tariff Act of 1930; to the Committee on Ways and Means.

3214. Also, telegram from David Sudelson, Brooklyn, N.Y., opposing the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3215. Also, petition of the Allied Beauticians of America, Inc., Brooklyn, N.Y., opposing the Wagner-Connery bills; to the Committee on Labor.

3216. By Mr. RUDD: Petition of the New York Clothing Cutters Union, Local No. 4, A. C. W. of A., favoring the passage of the Wagner Labor Disputes Act; to the Committee on Labor.

3217. Also, petition of the Central Trades and Labor Council of Greater New York and Vicinity, protesting against wage reductions and payless furloughs for postal employees; to the Committee on the Post Office and Post Roads.

3218. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., opposing the passage of Senate bill 2616 and House bill 7659, an act to raise revenue by levying an excise tax upon employers, and for other purposes; to the Committee on Ways and Means.

3219. Also, petition of the Armstrong Cork Co., Lancaster, Pa., opposing the passage of House bill 8430, amending the Tariff Act of 1930; to the Committee on Ways and Means.

3220. Also, petition of Building Trades Department, American Federation of Labor, with reference to the Steagall bill (H.R. 8403); to the Committee on Banking and Currency.

3221. Also, petition of Bakelite Corporation, New York City, opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3222. Also, petition of F. Weidner Printing & Publishing Co., Brooklyn, N.Y., opposed to the Wagner-Connery bills; to the Committee on Labor.

3223. Also, petition of Dugan Bros., Inc., opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3224. Also, petition of Abraham & Straus, Inc., Brooklyn, N.Y., opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3225. Also, petition of the Allied Beauticians of America, Inc., Brooklyn, N.Y., opposing the passage of the Wagner-Connelly bills; to the Committee on Labor.

3226. By Mr. THOMAS: Memorial of the Legislature of the State of New York, that the Congress of the United States be, and it is hereby, respectfully memorialized to provide funds of the Federal Government to supplement the appropriations of the State of New York for the proper river regulation and flood control of the waterways in the region of the Mohawk River and its various tributaries and in the area of the Hudson River Valley north of the Federal lock at Troy, N.Y., and enact the necessary legislation in carrying into effect such work; to the Committee on Flood Control.

3227. By the SPEAKER: Petition of the City Council of Virden, Ill., endorsing House bill 7598; to the Committee on Labor.

3228. Also, petition of the municipality of Minalabac, Province of Camarines Sur, P.I., endorsing the King Philippine independence bill; to the Committee on Insular Affairs.

3229. Also, petition of the Sociedad Panamena de Accion Internacional, relative to relations between the Panamanian people and the people of the United States; to the Committee on Foreign Affairs.

SENATE

SATURDAY, MARCH 24, 1934

(Legislative day of Tuesday, Mar. 20, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days Wednesday, March 21, Thursday, March 22, and Friday, March 23, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Robinson, Ind.
Ashurst	Cutting	Keyes	Russell
Austin	Davis	King	Schall
Bachman	Dickinson	Logan	Sheppard
Bailey	Dieterich	Loneragan	Shipstead
Bankhead	Dill	Long	Smith
Barbour	Duffy	McAdoo	Steiwer
Barkley	Erickson	McCarran	Stephens
Black	Fess	McGill	Thomas, Okla.
Bone	Fletcher	McKellar	Thomas, Utah
Borah	Frazier	McNary	Thompson
Brown	George	Murphy	Townsend
Bulkley	Gibson	Neely	Trammell
Bulow	Glass	Norris	Tydings
Byrd	Goldsborough	Nye	Vandenberg
Byrnes	Gore	O'Mahoney	Van Nuys
Capper	Hale	Overton	Wagner
Caraway	Harrison	Patterson	Walcott
Carey	Hastings	Pittman	Walsh
Clark	Hatch	Pope	Wheeler
Connally	Hayden	Reed	
Coolidge	Hebert	Reynolds	
Costigan	Johnson	Robinson, Ark.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from New York [Mr. COPELAND] and the Senator from Illinois [Mr. LEWIS] are necessarily detained from the Senate.

Mr. HEBERT. I wish to announce that the Senator from West Virginia [Mr. HATFIELD] is absent on account of illness, and that my colleague the senior Senator from Rhode Island [Mr. METCALF], the Senator from Maine [Mr. WHITE], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

EXTENSION OF TIME FOR FILING CLAIMS UNDER WAR CLAIMS ACT OF 1928

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbitrator, which, with the accompanying papers, was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of Massachusetts, favoring the limitation of the importation of refined sugar from insular possessions of the United States and from foreign countries, so as to insure the continued existence of the sugar industry in the United States, which were referred to the Committee on Finance.

(See resolutions printed in full when presented by Mr. WALSH on the 21st instant, p. 4982, CONGRESSIONAL RECORD.)

Mr. GIBSON presented a letter embodying a resolution adopted at a meeting of Joseph Frank Lodge No. 1109, B'nai B'rith, of Burlington, Vt., signed by the officers thereof, favoring the adoption of Senate Resolution 154 (submitted by Mr. TYDINGS), opposing discriminations against Jews in Germany, which was referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of Bennington, Vt., praying for the restoration of full pensions to Spanish-American War veterans and their dependents, which were ordered to lie on the table.

Mr. CAPPER presented petitions, numerous signed, of sundry citizens of the State of Kansas, praying for the passage of old-age pension legislation, which were referred to the Committee on Education and Labor.

He also presented resolutions adopted by the United Workers of Fredonia, Kans., favoring the passage of legislation providing for the prompt payment of the so-called "soldiers' bonus", which were referred to the Committee on Finance.

He also presented petitions, numerous signed, of sundry citizens of Parsons, Kans., praying for the repeal of the so-called "Economy Act", which were ordered to lie on the table.

He also presented resolutions adopted by Robert E. Gordon Post, No. 133, of Belleville, and James Marr Post, No. 135, of Formoso, both of the American Legion in the State of Kansas, favoring the passage of legislation embodying the so-called "four-point program of the American Legion" relative to veterans' benefits, which were referred to the Committee on Finance.

WAGES OF SUBSTITUTE POSTAL EMPLOYEES

Mr. FESS presented a petition of sundry citizens of the State of Ohio, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, without the signatures, as follows:

COLUMBUS, OHIO, March 12, 1934.

To the Honorable Senator FESS.

DEAR SIR: May we, the undersigned, citizens of central Ohio, ask you for your support and influence in expediting the passage of House bill 7483, a bill designed to guarantee to substitute postal employees a minimum weekly wage of \$15?

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3144) to legalize a bridge across the St. Louis River at or near Cloquet, Minn., reported it without amendment and submitted a report (No. 546) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2934) to facilitate the acquisition of migratory-bird refuges, and for other pur-