

Economic Club of New York

108th Meeting

“America Must Choose”

Nationalism vs. Internationalism

In Trade and Industry

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Mr. R. E. Ely: I regret to say that Mr. Thomas J. Watson, President of the Economic Club of New York, and who was to preside, is not here tonight, because he was heard the call of duty elsewhere, that is, in Washington.

Mr. F. W. Nichol, Vice President of the International Business Machines Corporation, is taking his place. Mr. Nichol, has been connected with this company for twenty years, and previously to the Vice Presidency, was in charge of that company's foreign business.

I told him I was going to ask his permission to say something about this business as an interesting illustration indeed, of what is going on:

Here's a company which has three plants here, another in Canada, one in England, one in France, two in Germany, and seventy-nine selling agencies in different countries. It looks as though our Chairman might be inclined to take sides on the question before us tonight, but let me assure you that I guarantee that while he remains the presiding member, he'll have no opinion on any subject!

And so, it gives me pleasure to present, Mr. F. W. Nichol

Introduction

F. W. Nichol, Presiding

Ever since the World War, in which so much of the civilized world's capital structure was destroyed, and which left so many peoples with an almost impossible burden of debts, nations have been struggling to reconstruct their domestic industries, and to recover lost markets for their products.

One of the means by which it was hoped to stimulate domestic recovery was protection of home industries from foreign competition.

As a result, there have been almost worldwide tariff barriers, embargoes, and quotas—all designed to restrict importations, if not to exclude them altogether.

Although this type of economic nationalism has been in evidence ever since the War, it did not come into the spotlight of general discussion until it was thrown into bas-relief by the breakdown in 1929 and the worldwide depression which followed.

Since then the tendency toward economic nationalism has been accentuated, and it is not surprising that the question of nationalism versus internationalism has become one of the burning questions of the day.

This subject has been chosen for discussion tonight, and our speakers are all men of outstanding achievement. They are men who have given a great deal of thought and study to this particular subject, and their expressed opinions will carry much weight on whichever side of the subject their convictions prompt them to array themselves.

Mr. Raymond Leslie Buell, our first speaker this evening, is a man who has made his career the study of international relations. He has done much to foster thought and promote keen, intelligent consideration of this important thought and promote keen, intelligent consideration of this important subject by his teachings in our foremost universities. As president of the Foreign Policy Association, and its Research Director, he has a firsthand study of conditions in Europe, Africa, the West Indies, the Central American republics and the Panama Canal Zone.

We are privileged in having as one of those to discuss the subject of the evening, Mr. Raymond Leslie Buell, President of the Foreign Policy Association. Mr. Buell?

First Speaker

Raymond Leslie Buell

President, Foreign Policy Association

Mr. Chairman, guests, members of the Economic Club:

During the past five years the world has been struggling against the worst depression of modern history, and at last a few signs of a natural recovery have begun to appear. There is no doubt that business is improving, greatly, in the U. S. and elsewhere. It is a curious fact, that, almost without exception, the greatest gain, so far, has been within the Domestic Market, yet the figures given out by the leading nations has indicated that in spite of this recovery, world trade declined 33% in the last year as compared with the previous year, and there are a few indications that these trade barriers; these Quotas; and Exchange Controls are being relaxed. Yet, in addition, the world is troubled today with political difficulties worse even, than those which prevailed before 1914. In Europe, politics is reaching a new point, and the Arms Treaty in May may be the last effort to get a treaty on that score. The Orient is troubled on the part of Japan, and the Pacific is becoming the scene of a new Naval Rivalry. The world is confronted by chaos—and a number of people are saying that this outside world is doomed to destruction, and that what we should attempt to do is accentuate economic nationalism, and live to ourselves. That is, in certain respects, an attractive thesis—it is something like ‘Inflation’—it is an attempt to escape from

realities; but I am afraid if International Trade continues to decline the result is bound to be only further disaster.

It is admitted that the nations of Europe are living on territory wholly inadequate to produce raw materials—it is admitted the nations of Europe cannot become self-contained—but it is stated that the U. S. is an exception and that we can go in for Economic Nationalism, successfully.

Well, if you go out to the Midwest, where I have been only last month, you will see the problem visualized. I drove through the farm districts of Iowa, and saw innumerable stacks of corn, neatly arranged in bins—and I asked what all this corn was; and was told that this corn had been all withdrawn in return for a gift or ‘loan’ from the American Government—and I asked immediately what anyone else would ask: “How long can this policy possibly continue?” It has been a success so far, the price of corn has risen, but how long can the American people withdraw from production that which was exported abroad?

The continued decline of the export market is bound to create continued serious distress, and is bound to mean the continued bankruptcy in the West and in the South—the latter depending for their livelihood upon the exporting of at least half of their cotton crop. Can you envisage withdrawing from production, that farmland—taking farmland out of the homes—moving them into subsistence-communities; or would you like to have a government move out of the South the Negro population, which today makes livelihood in the cotton industry?

If we close the door to an international solution the entire economic system of the United States will have to be reorganized upon a narrowly regimented basis. The growth of economic nationalism is bound to mean the end of private enterprise and democracy in favor of dictatorship and state capitalism. The difficulties we have had in enforcing Prohibition and the NRA, I think, is symbolical of the much greater difficultly which we would have if we were to embark on a policy of economic nationalism.

There is a second difficulty, which I envisage with these new ideas of economic nationalism which are even more serious. If I believed that the outside world was done for, and that nothing could be done to check the growing tendency toward war, and if I believed that the U. S. could keep out of the coming conflicts, I'd be an Isolationist, heart and soul. The NRA is supposed to be nationalistic but it is that its nationalism consists in depreciating the currencies in terms of foreign moneys. We claim to have certain isolationist-centers in Washington, but if real isolationists, they'd favor the cancellation of foreign debts, nor would they support the larger navies. And if they were real isolationists the people who claim to be isolationists would surrender all neutral rights—nor would they attempt to protest when a belligerent nation hurt our shipping, and so on—but, what do we see? The leading isolationists are the very ones who say that people must pay the debt while saying also, that the tariff must be increased. They say we must have a navy second to none—and it is our leading isolationists who say they are willing to fight for the protection of the neutral rights of the United States. In short, isolationism, as far as your general public is concerned, is never real ‘Isolationism’, it is based upon an emotion of

‘anti-foreignism’; and is an emotion which easily becomes converted into aggressive ‘nationalism’.

Look around the world today: what countries are generally regarded as, should I say, ‘the most dangerous’ to world peace? Why, obviously, those countries which have adopted Economic Nationalism as a basis of their existence. Japan seized Manchukuo in 1931 in order to erect a closed economy, but the forces unloosed by that process have not made Japan self-contained, but has only tended to increase friction between the Japanese and the outside world. In Europe, Germany supposedly adopted the policy of autocracy and economic nationalism, but has not removed itself from the political difficulties of Europe—those difficulties have merely increased. Militarized Japan and Hitlerized Germany are both products of economic nationalism. It was the refusal of the outside world to work out an economic system of world trade which would allow of an exchange of surplus which explains the rise of Hitlerism, Fascism, and so on. The young men just couldn’t find jobs—the outlook at best was merely a government dole or the other choice of joining the ‘Storm-troops’.

For those two reasons—not only because it means the perpetuation of unemployment and distress to agriculture; but because it means an end to Democracy and an increase in international frictions, this trend, in my judgment, must be checked.

What is an alternative..? There are some who state that the standard of the American people will suffer, if we encourage international trade, and that this standard of living of our people is maintained by forces which are different from those which dominate the economic systems of the rest of the world.

There are many answers, but it seems to me that fundamental answer is this: Our industrial civilization and our machines and science have made it possible to provide food and materials and clothes for every one of the two billions of people which inhabit the globe—and if we have the productive power the question of distributing these products is a political problem; a problem of statesmanship is bankrupt—and I am afraid a new world conflict is inevitable. The alternative to the present world chaos is not free trade and unrestricted competition, but a planned economy, both in the domestic and international spheres. It is some form of international planning – some form which will not result in unfair competition, but which will develop fair competition and exchange among the leading nations of the world.

The fundamental question is whether a capitalistic state can absorb imports in exchange for exports. If businessman will take a long view of their own interests, they will see the necessity of solving this problem, and it is on the solution of that problem that the future of the capitalistic system depends. Under a system of ‘Planned Economy’ some Administrative Body, such as a Tariff Commission would study the tariff of the country, and determine whether or not we get protection for businessman and laborers. There are dozens of instances in our tariff, (and I’ll not

attempt to repeat them here), there are dozens of instances of duties upon articles which we do not produce whatever in this country, which we should import in favor of an increase in export trade. There are many other duties which protect a mere handful of laborers only, and only a few thousand dollars worth of capital, at the expense and sacrifice of the American public, and of our most efficient industries.

The doctrine what we can win out by increasing tariff and by cutting down imports is simply the idea that the way to recovery is by cutting down production. But to my mind, the future of capitalism depends not upon the curtailment of production, but upon the increase of purchasing power. That can only be developed if we can remove some of these barriers which obstruct the development of our most efficient industries, and which, if they could develop, would re-absorb millions of people now looking for work; and it is for that reason that I warmly support the efforts of the present administration to include reciprocity agreements to increase international trade on a mutual advantage basis. If I were congress, I'd agree to a 20% reduction in duties, because I believe it would inevitably increase imports and exports and set in force operations to increase the world price level, and hasten recovery. If not that, the second best alternative is to authorize the President, with the aid of the Tariff Commission, etc., to reduce the tariff given-duties as part of negotiations, in order to revive trade upon a mutual advantage; and I close by reiterating the fact that if we wish to have a peaceful world—a world in which democratic institutions may flourish and develop and private enterprise may be maintained, we must straighten out these economic tangles—and in giving the President power to work for the

solution of the economic difficulties we are taking initiative in the direction of greater cooperation—and in the direction, I hope, of WORLD PEACE. Thank you.

Mr. Nichol: Though a comparatively young man, the next speaker, by his application and unusual ability, has already won considerable renown. His teachings and writings have earned for him recognition and a place among the country's leading economists.

His qualifications make it eminently fitting and important to the nation that his wise counsel and broad experience should now be employed in directing the affairs of that branch of the Department of Commerce having to do without trade at home and abroad. Because of his broad knowledge of the laws of action and reaction, in trade, industry, and finance, his judgment is widely sought on the various phases of the Recovery Program now under way.

As director of the Bureau of Foreign and Domestic Commerce, he is doing a big job for us, in a big way, in Washington.

I am happy to present, at this time, the Honorable Willard L. Thorp!

Second Speaker

Honorable Willard L. Thorp:

Director, Bureau of Foreign and Domestic Commerce

Mr. Chairman, ladies and gentlemen:

I wish to tell you of a conversation which I had recently with a certain gentleman. He proposes a scheme for solving the unemployment problem in New York City, and therefore completely restoring prosperity. He attributes the existence of smokeless chimneys and empty dinner pails in this country solely and completely to the importation of cheap, foreign goods which displace American products from their rightful markets and American workingmen from their jobs. In particular, he is enraged by the tremendous influx of banana produced in Costa Rica, Guatemala, Honduras, Nicaragua, Panama, Mexican, Jamaica, and Cuba, - produced with cheap labor whose wages and living standards are far below those of the American workmen. He shudders as he reports that in the calendar year 1932, Greater New York City consumed over 500 million bananas, virtually every single one of which was raised in foreign soil. His scheme, briefly, is to erect enormous green-houses in the vicinity of this city, set out young banana trees, and give them most intensive cultivation. He would employ modern methods of agricultural science, with fertilizers and sunray lamps, to make certain that the northern sun would not impair the quality. He feels certain that this one project, alone, will absorb every single unemployed worker in New

York City, as well as give aid to the glass industry, the coal industry, the fertilizer industry, and may help many others throughout the country.

“But”, said I, “What about the imports of bananas from these other countries?” “Easy”, said he, “merely put on a protective tariff.” “How high will it need to be?” He pulled a sheaf of estimates out of his pocket, - figures on cost of construction, operating expenses broken down into labor cost, heating cost, electricity, water, allowance for broken glass and all the rest, estimates of probably yields, even with allowances for lass due to consumption by the employees. It was all very neat and looked as though all it needed was the line at the bottom, “The information contained herein is not guaranteed but based upon sources which we believe to be reliable.”

“Well,” said he, “the actual cost according to my rough estimates will be about 80 cents per banana. We ought to place a tariff of \$1.00 per banana in order to make certain that the infant industry will be able to pass through any troubles in its early stages.” With what looked a little like a wink of his eye, he went on to say that after the industry was established and had passed the infancy stage, it might be possible to lower the tariff somewhat.

I was greatly shocked by his suggestion that the price of bananas would be about 80 cents apiece, and blurted out, “What will the consumer think about this?” “The consumer,” said he, --“who ever considered the consumer in matters involving the tariff? He doesn’t matter.” And them, in order to turn the discussion a bit, he went on to tell me of the great advantages which would accrue to our citizens if America should ever be involved in war and should be blocked. With

such a resource in our hot houses, we should never need to worry about the possibility of gaunt, haggard and scurvy—ridden children prowling the streets. We could be assured of our banana a day.

But I interrupted again with another question, “But how about the fact that these imported bananas really are the payment for the goods which we sell to those countries?” To his surprise and also my own, I found the figures and commodities right on the tip of my tongue. “Last year, bad as it was in foreign trade, we purchased about 17 million dollars worth of bananas from Central American countries, and we sold to them over 30 million dollars worth of lard, wheat, flour, cigarettes, automobiles, cotton cloth, petroleum products, iron and steel manufactures and other miscellaneous commodities. From Mexico we bought 22 million dollars worth of bananas and sold that amount and a million dollars more of one item alone – industrial machinery.” I went on: “Host of this trade was carried in American ships. What are you going to do,” I asked, “to provide in this case, employment for the people who were in our exporting industries and the auxiliary trades and who will be thrown out of work?” But even this argument, - and I was very proud of myself for supporting it with such exact statistical evidence, - did not disturb him in the least. The answer again was simple. For the absorption of these new unemployed he proposed the addition of further steps in his domestic production scheme. With accelerating enthusiasm, he went on. “We can raise rubber plants in the Ohio machinery factories, and Great Lakes caviar in Detroit; coffee, tea, cacao and copra plantations can be created about the country wherever necessary, and remember doubled advantages to the cause of employment result form the

utilization of greenhouses rather than out of doors production. More workers will be given work. Perhaps we can even develop synthetic bananas."

I shuddered, and woke up. The nightmare was over. But, ladies and gentleman, the nightmare of our foreign trade situation is not over. Exports were \$5,241,000,000 in 1929, and merely \$1,675,000,000 in 1933 – a fact which should please my fellow companion of the nightmare. The collapse of our export trade has meant the unemployment of several million individuals, not mentioning the idle equipment and capital invested in factories, farms, ports, ships, and the like. It is difficult for me to see how my friend of the banana proposal can square his belief, that curtailment of imports will bring back prosperity, with recent history. Our imports have declined by 70%, yet there is no evidence of benefit to domestic industry. That leaves only a short distance to go to achieve complete isolation. When imports fell below \$100,000,000 a month for the first time in July, 1932, no one took it as evidence that prosperity was just around the corner. The real damage caused by the decline was felt directly in the industries engaged in exports.

And our exports cannot increase for any considerable period without a revival in our imports. We are not planning to give our products away, not even for beautifully engraved foreign securities. We can produce our own bananas, but if we do, we must resign ourselves to the loss of the foreign markets which those purchases have created.

I presented above the figures of the decline in our foreign trade, but they are by no means the whole story. Our decline has been greater than that for other commercial countries. In 1929, we exported 15.5% of all good which entered into the international trade of the world. Last year, our share was but 11.5%. Last year, for the first time since the War, Great Britain boasted of a larger export trade than the United States. We have lost a supremacy which we have held for nearly twenty years. The statement of this fact was recently greeted with cheers in Parliament. One can quibble over the figures, and claim that the fact is not true if one excludes re-exports from the records, since that item is much larger for Britain than for this country, but the point remains just the same. Our share in the international trade of the world is declining.

Of course, there is no single explanation of this unfortunate trend, but a considerable part of the answer lies in the rapid rise of trade barriers. We raised our own walls to new levels in 1930. Other countries have played the same game. Tariffs in excess of 100% are no rarity in the present state of the tariff art. And more sophisticated measures are being employed more and more, -- quota limitations, import licenses, blocked exchanges, sanitary regulations and many others. American goods can sometimes scale these barriers but often find them insurmountable. Other countries, in the same predicament, have devised a method for meeting the situation, -- namely, the negotiation of reciprocal trade agreements which free certain commodities in their mutual trade from the severity of the restrictions. Our records show that about 150 such agreements were negotiated last year, and dozens are in process at this very moment. This is the new technique of winning and preserving foreign markets. It is a new game, but the United States is on the outside,

and getting shut father outside every day. If we do not use this same technique, the ultimate result is clear, 0 other nations will raise barriers and then make their arrangements to give each other concessions behind those barriers. We will obtain few if any concessions. More and more we will lose the markets which historically and economically belong to us. And we will have to remodel our export industries into banana plantations or silk cocoon incubators.

There would seem to be little argument on the points that the Reciprocal Trade Agreement is the best reasonable means on the horizon by which the United States can escape from the increasing difficulties imposed by these trade barriers, and increase its share in the world's trade. The opponents to the Bill appear to be centering their opposition on a matter of procedure rather than of principle. The Bill in its present form permits the President to proclaim modifications of import duties and other import restrictions "Whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States." The objection is that industries may thus be subjected to arbitrary tariff changes without opportunity for hearing. The suggestion has been made that the Tariff Commission be constituted as a Board of Review.

There is much to be said for this contention when discussed in the abstract, but I doubt very much if its real effect will be other than to weaken seriously the effectiveness of the Bill. One could make a similar argument for a Board of Review in a baseball game. Is it not taking changes with justice for a single man to decide whether the pitch went over the plate or not?

However, if every time the ball was thrown, a Board of Review had to go into a huddle and announce a decision after due deliberation, few games would reach the third inning. There might be an occasional case where the decision would be reversed, but the cost would far exceed the gain.

The baseball analogy emphasizes the element of time. Foreign trade restrictions are in a continual state of change. We must be in a position to bargain by rapid and decisive negotiation. This will rest upon the most careful study prior to the actual carrying on of the negotiations. The results may be agreements granting concessions on a long list of commodities. By the time that hearings could be given proper advance notice, then held, and the testimony checked and evaluated, the opportunity for the agreement might have passed away completely. And if the various departments of the government perform their functions satisfactorily, the hearing should turn up no information not already available to the President.

In the President's message to Congress, he stressed this point as follows:

If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded. If it is not in a position at a given moment rapidly to alter the terms on which it is willing to deal with other countries it cannot adequately protect its trade against discriminations and against bargains injurious to its interests. Furthermore, a promise to which prompt effect cannot be given is not an inducement which can pass current at par in commercial negotiations.

For this reason any smaller degree of authority in the hands of the Executive would be ineffective. The executive branches of virtually all other important trading countries already possess some such power."

This is not a power which will be used arbitrarily, but with the utmost care and judicious consideration. I am informed that enemies of the Administration are hoping that the Bill will be enacted, because they see only grief and enmity for those who put it into effect. There can be no doubt that those few who may be slightly hurt will make more noise than the much greater number who will be benefitted. This situation will undoubtedly provide an additional safeguard against any action which cannot be clearly defended as being in the national interest.

Granting a solution to his procedural difficulty, the only bone of contention which remains is the desirability of the process of foreign trade at all. Opponents of foreign trade for America have stoutly maintained, ever since our industries were born, that commerce with nations abroad had one detrimental effect which far outweighed any possible resulting benefits. The inseparable companion of export trade, they claim, is damage to domestic industry, and a resultant lowered standard of living for this nation.

This eternal cry about the lowered living standard has been dinned into our ears so long and so steadily that I trust you will forgive me if I devote a moment or two to its consideration. Imports can have this result, but in any carefully considered national program, judicious selection of imports will have quite the opposite effect.

There need be no threat to American industry and American employment in a foreign trade policy on the basis of reciprocal agreements. The very process of negotiations permits of careful

study and judicious selection. We wish to obtain foreign markets for goods which are equipped to produce, which can offer much needed employment, and which can win their way in other countries. In turn, we wish to import those commodities which we need our which compete in only slight degree with American goods. The underlying concept is one of net national gain. The consideration cannot be overemphasized, that to our national economic organization there may be a greater upset by the failure of an organized industry to obtain its anticipated foreign market than by an industry to obtain its anticipated foreign market than by an industry to be forced to compete with goods produced abroad.

Day after day, I talk with businessmen of two types. The men in the first group come into my office and tell me that they face bankruptcy unless given greater protection. They cannot meet the competition of imported products. And those in the second group come in and tell me that they face bankruptcy unless we can find some way of bringing about a lowering of barriers in foreign countries and regain for them their foreign markets. Taken together, they demand a situation with no imports and complete freedom of exports. But this cannot work either in international economics or in international politics. We can only solve the dilemma by obtaining our export markets in exchange for concessions on carefully selected imports.

Only by the most detailed study, such as the various departments and agencies of the Government are prepared to make, can such a policy be developed judiciously and wisely. However, along that path lies the greatest good to the greatest number. Can the proposal to raise

bananas in New York be taken seriously? That is an extreme case, to be sure. But starting there, one can find instance after instance where we will benefit by encouraging non-competitive and obviously helpful importation and thus giving assistance to our established export industries.

In such a brief presentation of the case, it may sound as though I too believed that the consumer doesn't matter. But of course he does and to the greatest degree, for every citizen of this country is a consumer. The tariff has always been a tax paid by the consumer to aid certain privileged groups. Its cost to him has often been much greater than the actual duties collected by the government, for in many instances its chief benefit has been to permit special interests involved to maintain higher prices on domestically produced goods than would have otherwise been possible. There is no point in high tariffs on commodities which are not produced commercially in this country, yet a recent report of the Tariff Commission lists 299 such commodities. And there are many others where the protection afforded far exceeds that required to maintain our domestic industries. I can assure you that bananas at 80 cents apiece would quickly force us to realize that the consumer must be considered. His interest is unquestionably to obtain increased foreign trade and lower trade barriers by whatever method possible. The best method in sight at the moment is the reciprocal trade agreement, when utilized with the national interest in mind.

Introducing Honorable James W. Gerard:

Mr. Nichols: I doubt if there is anyone to present this evening who does not know and admire the character, the brilliance and the sincerity, of our next speaker.

As a lawyer, and as a Justice of the Supreme Court of this State, he has brought distinction to bar and bench.

His conspicuous service in diplomacy, and his constructive statesmanship, have been of outstanding service to the nation.

His clear grasp of international problems, and his easy tact, have resulted in his being called upon to serve in the most critical times, which he is always ready and willing to do – and does with notable success.

His writings covering the contemporaneous European affairs have been authoritative, and have shed much light on many phases of national and international problems.

To my great pleasure and profit, I have heard him speak on many occasions, and I consider it an honor and a privilege to introduce tonight the Honorable James. W. Gerard.

Third Speaker

The Honorable James W. Gerard

Justice of the Supreme Court of the State of New York

Mr. Chairman, Dr. Ely who has so successfully steered this Club for so many years—Ladies and Gentleman:--

Since I have had the honor and the pleasure of speaking, as it were, on the ‘Field of Radio’ against Prof. Buell, I am delighted, now, to see that he has to certain degree, been converted. And I also must congratulate Mr. Thorp on the skill which he displayed in constructing a dummy stuffed with bananas and then, proceeded to jump on it.

Now, gentlemen, the self-contained world is not of our making. After the War the nations of the world determined they would be more self-contained than they were before. For instance Italy, long paying great tribute to England in the way of Coal, by the construction of hydro-electric works, which did away with buying 25 million tons of coal annually, and under Mussolini, by draining the old Pontene Marshes, southwest of Rome, has increased greatly the wheat growing area of Italy. We find the same thing going on all over the world. England, finding during the war, that she was in danger of not keeping the sea road open to Chili – and Germany, Scandinavia, America, France, all the major countries in the world, as did England, built nitrate factories, and now extract nitrates from the air—and Chili is tottering.

The advance in economic nationalism is not of our making. The agricultural countries that, before the war, were slaves to the industrial countries have built up plants of their own. Mexico is selling shoes along the border of the United States, and only a short time ago did not manufacture shoes at all, in Mexico. If the world forces us to this economic nationalism we can stand it better than any other country in the world, because there are comparatively few things not produced in abundance in the United States. We need, however, Rubber, Tin, Coffee, Tea, Cocoa, minor Metals, and Silk. I have a list which was given to me by the one-time Secretary of Commerce, Herbert Hoover, and he said that although we have 5% of the population of the world, and 7% of the area, yet almost everything we produce is far beyond those percentages—for instance, we produce 25% of Gold, 40% of iron and steel, 40% of Lead and of silver, 50% of the leather, 50% of the Aluminum, 66% of the Cotton, 70% of the Petroleum etc.—showing that if the world forces us to this position we are better able to be self-contained than any nation of the world.

The Committee, of which I am Chairman, is advocating three propositions. The first is that we think Americans are spending too much money abroad. In the ordinary average year, the *BANKER'S MAGAZINE* has calculated that 720 million dollars a year, is spent by tourists, by American people, buying things abroad, and last year almost 300 million dollars was spent in this way. Now that is a great deal of money to go out of this country. We should encourage people to travel and spend in their own country. The Herald-Tribune has a special supplement

yesterday, pointing out the beauties of the Western country. That is the first great drain on the United States.

Then this question of reciprocal trade: We can't expect the nations abroad to pay us in gold, that is impossible. They have got to pay us in some way—you don't believe, nor does Dr. Thorp either, that we should adopt the fool policy of lending money to a country in the expectance that it will increase our export trade. They use some of that money to buy goods and they use some of it to buy American securities and some to withdraw our supply of gold, and use some of it to build swimming baths, and stadiums, and workmen's homes, and then they tell us to go to the devil. You can't build up any trade on the basis of giving a man money to buy, and then let him repudiate the debt—so it is conceded by everybody that we must build up trade on a bookkeeping basis – that is, by from those nations that buy from us.

There are a great many products non-competitive, that can be imported, and where we have a choice of countries. I am glad to have heard about the banana dummy, because I have got a paper here from Jamaica. Now we can have our choices as we were told, of buying the bananas from Costa Rica or Jamaica, or various other places, and we can use the fact that some of our people want to consume bananas in expending the export trade. Take for instance, the element, Manganese—it is essential to the manufacture of steel. Now, we can buy that in Russia, Cuba, West Coast of Africa, or in Brazil. We don't produce it much here—I tried to and lost money. Asbestos is produced in Russia and Canada. We can use that as a trading point to expand out

exports. Chromium is produced in Russia and Rhodesia, and so on, with a great many articles and materials. All these things can be used, but I can't agree that we should ruin any American industry in order to produce a phantom buying-power. I say 'phantom' because when the Japanese sold 79 million electric light bulbs—leaping over all tariff barriers—did they buy anything in return? We don't know whether they would go to America for automobiles, or to the Argentine for oil, etc. All these are problematical—and we must be on the bookkeeping basis. We cannot put workingmen in direct competition with the poorly-paid laborer of the Far East. If there is anything that will produce unrest it is reducing the standard of living. These electric bulbs, for instance, were produced by women, working for 9 cents a day, in American money.

And then, too, as you have been told, a great many of our companies have set up industries abroad. For instance, the General Electric has a factory in Japan and serves the Far East with fixtures, and only 60%, the parent country here. Now the minute that you took off the tariff on electric light fixtures, bulbs, etc., what is to prevent that company sending in the products? Stockholders of the General Electric would have 60% of the benefit of that—but the unfortunate people in Schenectady, the workingmen, would be ruined by the closing down of the works there. This question of Japanese competition is a serious one.

I have just referred to Jamaica where there is a preferential tariff for goods from Great Britain, yet when you let the people climb the tariff wall we don't know what goods they are going to

buy. They may have good little automobiles of their own which meet certain conditions of gas prices in their own country.

A hundred thousand people connected with the fisheries are out of employment because the Japanese are sending Tuna Fish that they mark with ‘NRA’ and the ‘Blue-Eagle’. And here’s a little example. Toy badges that the children buy. ‘Junior Fire Chief, and Junior Secret Service Chief.’ That card is sold at retail by the company that makes them here for five cents—three badges—the other is a Police Badge—or they are sold for two cents apiece, separately. Here I have some made in Japan, identically the same, except it has at the bottom the phrase required by law. ‘Made in Japan’. They leap over a tariff wall of 70%, the tariff on toys, and I am presuming they are classed as toys, and they sell them for one cent a piece in this country; Maybe I’d better give this Secret-Service medal to Mr. Thorp. (Laughter).

While I am talking about toys, gentleman, when I was in Germany as your American Ambassador to Germany, 40 or 50 million dollars a year was paid the Germans for toys, made by people at work in the Black Forest. We put a duty on them after the war to keep out those toys, and have now built up an industry in this country which now has a retail market of two hundred millions of dollars annually. That is money saved and the toys are a good deal better than the German toys, as state by *TIME MAGAZINE*.

Then when I was in Germany, nothing surprised me more than the dependence on that country for a great mass of products. For instance the mining industry stopped dead until I succeeded in getting the Germans to let through a shipment of Cyanide of Potassium, which as you know is the basis of the mining industry. The best seeds were developed at Magdeburg, in Germany, and until I could get out a cargo there was no beet sugar industry in this country. That is an example of what has been going on in the world. We have now learned to make dyestuffs. We bought 45 million dollars worth of dyestuffs a year from Germany before the War. Now, practically all of that is saved to this country.

Another thing I can't agree with Dr. Thorp on is when he said some industries might be hurt here but it might be only a small industry. That reminds me of Naboth's vineyard in the Bible when the King wanted it, but any one of you engaged in some industry, ruined, in order to promote an idea will feel as Naboth did about his Vineyard.

I am in favor of this Bill giving the power to negotiate reciprocal treaties and giving this power to the president, but I hope he will give those representing the industries a hearing before ruining the industries.

Please keep in mind three things: The first is that too much money is spent abroad. Travel on American ships, if you will go abroad. But why not explore this country—‘See American First’.

Oh—I wish I had time—my twenty minutes is up now. But I understand that I may get a little more time later. Thank you.

Introducing:

(Congressman David J. Lewis of Maryland.)

Mr. Nichols: There probably is no better-informed authority on tariff problems in this country than our next speaker.

By reason of his broad experience and valuable service on the United States Tariff Commission, and because of his outstanding ability to grasp the fundamentals of any problem to which he gives thought, he is peculiarly fitted to make an important contribution to the discussion of nationalism vs. internationalism.

In his many years in the National Congress, as Representative from Maryland, he has rendered conspicuously able service on important committees.

It is a great pleasure to introduce to this audience Congressman David J. Lewis from Maryland.

Fourth Speaker

Honorable David J. Lewis

Congressman from Maryland

I shall not undertake in the brief time you can give us to enter into any discussion of the philosophy or policy of protection, but I shall crave the privilege of your real attention to the matter of methods in tariff making/granted that a tariff policy is to be applied.

Under this existing law the policy determined upon by the party responsible, was to impose on imported articles a privilege or a sales tax, and import-sales-taxes to be measured by the difference in costs of production of the imported and the domestic article. The object was to put the American producer on the same terms of equality with regard to his foreign rival, which he enjoyed in respect to the domestic manufacturer; and an equally important object was to provide that the amount of this sales tax should not exceed that difference, because the protectionists were not only producers, they were consumers besides.

Now, in order to apply this principle, we must ascertain what the subject matter is. To what subjects is this formula to be applied? The rate-making body, Congress, would need to know the article, not only in mass, but as individuals, because it would have to ascertain, first, is the article produced in the United States? If not, they tariff policies would not apply.

Second, what is the difference in the cost or competitive conditions to determine a just and adequate tax?

Third: They would have to have particulars of this kind. In the case of wool or leather—is the domestic supply sufficient to meet domestic demands or as in those two cases the domestic supply being only about one-half of the requirements the protectionists might hesitate to impose a sales tax, which in effect, would apply to both domestic and foreign products, seeing that he wishes to protect the consumer as well as the producer of these articles.

It is plain then, that the tariff rate-maker must take before him a specific subject; namely, the articles of commerce.

Gentleman, how many articles of commerce are there? Here is a Sears Roebuck catalog, doubtless familiar to you all. It contains some eight hundred pages. Those eight hundred pages contain most of the familiar articles of life, and actually number nearly twenty thousand. Nor, does the subject matter cease with the content of the Sears Roebuck catalog—and it is twenty thousand! Those are only the familiar articles of retail trade. The Tariff Commission which address itself to this particular question, made the statement, (and I used tits words):--“The almost countless article of Commerce.” Of course, Ladies and Gentlemen, only Omniscience could command sufficient knowledge to apply any principle of protection to this subject matter upon which a Congress of any political party might agree!

Now, what did Congress do with respect to this subject matter?...(and in this discussion I am not at all a partisan)...all the privileges that have been made during my generation, whereby the party of Lincoln or Thomas Jefferson, come under the same criticism—what have these tariff makers done?

Well they did catalog about three thousand out of the three-hundred thousand ascertainable; and the different articles of commerce containable in the subject matter;--and with respect to the other two hundred and ninety-seven thousand, what was done? So, two hundred and sixty-four basket or 'catch-all' clauses were employed. Let me give you an illustration of one. Perhaps this pile of books looked ominous when it reached the table. I hold in my hand a catalog of the Central Scientific Company of Chicago, giving descriptions and prices of physical apparatus and instruments. Here are some six-hundred pages, and by count there are more than five thousand different articles—and those articles, Ladies and Gentlemen, differ so radically in their constituent costs and their backgrounds of individual costs, that some of them command a price as low as a dollar a pound; some of them command a price of nearly twenty-five dollars to the ounce—showing that no average rate could be applicable to the subject matter in a rational application of the principle agreed upon, that the rate should be applied first to articles made in the U.S. which might require it of them; second, the rate itself should be of a measure to equal the difference in costs.

Now let us face the facts as men of business, and men of responsible public character—and what do we have to face when we do face the facts? The solemn admission that a competent tariff act—that a quarter or half-competent tariff act has never had an opportunity to be written in this country, because it couldn't be possible written by a body organized after the necessary fashion of your Congress of the United States.

In applying these catchall methods I am reminded that the Congress was forced to act very much as did a German cow doctor in a story that I am going to take a moment to tell. An old German couple had a sick cow on their hands. All the home-remedies were tried by neither the milk nor the cow improved a bit. So they thought it necessary to send for the cow doctor, and he came and went out to the barn. The old couple and the doctor looked at the cow, discussed it some, went up to the house and had dinner, and discussed it some more. At length the time had come for a real statement of the expert's part—they all went down to the barn again, and the enquiring old couple's eyes sat upon this expert. He couldn't dodge a decision any longer, and so, taking the cow's horn in his left hand, and the cow's tail in his right hand, he turned around to the couple and said: "Ladies and Gentlemen, the sickness lies between these two places."

That is what Congress is required to do with respect to the subject matter as vermicular and intricate in character and relation as this all is. Now how many of these catchall clauses are there? I say that some three thousand familiar articles were named. The rest of the articles were

not named except as they fell under catchall clauses. In the instance of this first catalog the entire description in the tariff act applicable is: "Scientific Instruments and Apparatus."

I want to make this statement: that probably not a single article in that catalog ever came into the consciousness of a single member of Congress, whether on the Ways and Means Committee, or the Finance Committee of the Senate! Is that Law Making? Is that responsible legislation?

Can that kind of 'blind' tariff ratemaking lead to happy and profitable consequences in this country, or in any other?

Here's another catalog: This is "Paragraph 1541—Musical Instruments". I notice here about 175 pages, with more than a thousand different articles. The same rate is applied to them whether they are organs or Hews Harps...40% (Slams book down.)

Here's another catalog of the Central Scientific Company of Chicago—devoted to Laboratory apparatus in the Chemical and Biological field, etc., of thought and labor. Here are some four hundred pages—thousands of articles. (Laughs)—Omniscience was willing to act and applied to ALL a rate of '40%'! (Laughter).

Now here's a catalog devoted to surgical instruments—"Paragraph 359"—"This catalog contains from ten to fifteen thousand different articles—and his favored with a flat rate of 55%.

I can stop only to remark with regard to the book, that in the field of surgical instruments and with regard to the soft steel instruments, the American manufacturer would hardly need protection, because he is so well organized in his industry that he has been an exporter throughout the world, but 90% of the hard steel instruments have to be imported, mainly from Germany.

Here's another—on Dental Instruments. Two hundred and seventy pages were counted, with an estimated thirty to forty thousand different articles—and with a general rate applied of 35%.

Observe now that none of the standards of this protective policy has been applied. These rates apply under these catch clauses to all articles, whether produced in the United States or not. (Even with the limited facilities of one mind and hand.) I have a list here of all these articles suffering under these prohibitive articles—about 250 articles, and another list of 600 articles, in which the rates run from 50 to about 300 and even 3000% in some exceptional cases. I make this in a feeling of responsibility, but if an exception were written in our tariff act, and have articles that come in as supplementary, and the rate to them were made a responsible rate, enough of that kind of commercial import business is being destroyed by an irrational tariff to cover the war debts owing us by the other countries of the world. Now what lesson do we learn from this?

One is that in this difficult field, as in our own private affairs, there is such a thing as 'function'. Specific qualification to meet a subject and to handle it with intelligent insight and responsibility.

We employ auditors, accountants, statisticians; we take no chances in our private affairs, and yet it is true in this, the Twentieth Century, that the people of the United States through their Congress, are employing private methods as crude as those that were used in the Eighteenth Century.

I know there is a type of mind that doesn't comprehend in any sympathetic way the importance of commerce between the nations. You have your one-eyed statistician who can only read statistics of import, but exports have no visibility for him. He doesn't understand what I feel in this, and what New York merchants must understand! That the laws of trade do not differ from Newton's Law of mechanics—that 'action and reaction are equal and opposite'—that the incoming tide must equal the outgoing tide, and that if we are to have either imports or exports we must accept the law of equilibrium in this field of commerce as established in all the rest of the natural world.

It is true that looking at the matter from an individual perspective merely, you can get a dime so close to the eye that you can't see the dollar, especially the other fellow's dollar!—not even a yard away.

A British banker some years ago, made a statement of this which I think put it as clearly as I have ever heard it expressed: He said, "If the Russian demand for Tea on India or Ceylon were suddenly to cease immediately the demand of India for textiles in Great Britain would fall, and

with the falling of that demand for textiles the demand for cotton in the Southern states, and we know, of course, as the cotton market fell the demand for agriculture machinery in Chicago also would correspondingly fall.

It has been my fortune to read a great deal when a member of the tariff Commission in this matter of tariff. The shortest and wisest statement I ever read, I should say, is one made by Henry Sedgewich, one of the great Englishmen of the Nineteenth Century, an Economist and Philosopher, and I think, one of the greatest men of the world. I can quote him only but roughly. He said: "I do not altogether agree with the classical economist, who thinks that under no circumstances can a nation, by the policy of protection, realize a national advantage." Continuing, he said, "On the contrary I believe that there may be instances here and there, where a little protection imposed for a time may consummate for the country imposing it, some national advantage." And then he added, "But what I cannot conceive is a parliament of men with sufficient knowledge and wisdom, to pick out only those particular instances of advantages, and when the subsidy privilege accorded has worked its purpose, with enough strength of character to withdraw the privilege, the occasion having passed.

Congress make tariff rates? No! I think Congress capable to declare the principle. I don't see how you will ever be able to secure an organized body of men representing us nationally, that will be more competent, but it is no more capable of applying that principle to the multitudinous

subjects of the principle than it would be of making the starry computations, necessary to guide the mariner in his international voyages!

I welcome, indeed, the opportunity I have as a member of Congress, to vote for the Tariff Bill, which takes this power out of the hands, incompetent to exercise it, even faithfully to its own purpose. I believe there has been no tariff act passed in the history of my time by either party that wouldn't have been a better tariff bill if White House views prevailed—a National point of view, and under this measure a National viewpoint will be called in to advise, and will have time to study each particular application—and we may hope for the first time in the history of three generations, to see an application of the protectionists principle on this side of the waters, never seen here before.

Under the measures here proposed, reciprocal arrangements will have to be made—and it is true, we are staying to the other countries of the world, with regard to these tariffs: “You’re on stilts: we’re on stilts also.” “You get off your stilts—we’ll get off our stilts—and let’s arrange reasonable ‘quid pro quo’ commercial relations, and remove the tariffs that now inhibit them.”

Yes, brothers of the human family—let’s again restore that commerce of the nations which has not only proved an incalculable blessing through the thousands of years of human history, but is probably now, the principle contributor and principle guarantor of Civilization itself! I thank you.

QUESTION AND ANSWER SESSION

MR. NICHOL: Ladies and Gentlemen—I am sure we are all indebted to these gentlemen who have given so generously of their time and talents tonight.

We have reached an interesting part, now, of the program. As you know, our discussions are not only interesting, but frequently, because of the dynamic handling under Mr. Ely, are quite exciting. He is a past-master of this sort of thing, and we are now going to enjoy it extremely under his guidance.

DR. ELY: The evening is still quite young, it is only twenty-seven minutes past ten, and my watch is fast. We are due to adjourn at eleven, but questions much more important can be settled by a gathering like this, by that time, I am sure. Let's go at the settling:--

The plan is that the speakers who have spoken to use who would like to add a friendly pungent word may do so, and we'll be glad to hear them—Dr. Buell, how about it?

DR. BUELL: The only reason I rise again is because Ambassador Gerard said I had been ‘partially converted’. I rise to apologize for having misled him; because I don’t yet agree with his arguments I am afraid, because I don’t understand them.

He said first of all, that because of the growth of Science and Industry, etc., every nation had become self-contained and that we couldn't do anything about it.

He said next that Japan was dumping these on us. Now if that is true, then the world certainly isn't bottled up into self-contained units.

Then he said they are not buying in Russia. Now I have, perhaps, a better and higher respect for foreign nations, but I'd never accuse foreign nations of giving goods away. They're not playing Santa Claus to the United States—they're wanting simply to pay for goods they buy from us.

I admit two things: Industry and Agriculture has changed, but if that development is for the benefit of the people that development will take place without the artificial support of quotas and other devices against competition. If science is going to remake the world that way, very well.

The second thing I admit is that there is such a thing as unfair competition, but I'd not assume that all international trade is unfair. I'd go further and lower duties—and lower duties not only on non-competitive articles, but also on certain competitive articles, under certain conditions.

Take electric light bulbs—I'd first want to know if the United States companies were a monopoly, and were overcharging—and if they were paying adequate wages.

Last year, a distinguished citizen of New York made a speech in which he said, "American must become self-contained." The very next week Untermeyer, the same man, demanded the repeal of the municipal ordinance compelling American work to be done with American cement. He did that because American cement had gone up 100%!

That is what the Administration wants—that we examine these assumptions and establish these principles, and do away with the long misused slogan of 'the full dinner pail'—and establish it scientifically.

One speaker said he would not allow the president to reduce the tariff if it ruined a single industry of this country. I want to say to you that if you were in the Midwest you would find there today, thousands of American industries already in ruins, and if we can, through a trade policy, put back a thousand men to work, we should do it, it seems to me. It seems to me able that if it means a temporary unemployment of ten men because you can help a thousand that we can reabsorb these men who can't find work, and eventually benefit everybody.

So you see, we are not quite in agreement, Mr. Ambassador.

MR. ELY: Dr. Thorp, will you rise to disagree?

MR. THORP: I rise to defend foreign travel. Ambassador Gerard has said he believes we must support certain products and must have certain imports—it seems to me that following his general line of reasoning, the least harmful form of imports is the imports into Americans, rather than into American. It if is done around the table, by Americans in a French restaurant, that is the ideal form of import from the American basis point of view...does not damage and is a method of balancing some of this necessary export.

With regard to Japan, and I must say that at present a lot of thinking is being done with regard to this, there are certain basic facts to keep in mind. Over two thirds of our trade with Japan is in the simple exchange of cotton for silk. The rest is just about an even balance of manufactured goods which we send to Japan. That is the record, and presumably indicates that these commodities that come in from Japan, and the assumption being they throw some of our workers out of work, are balanced by the fact that others get work in other things.

And about the badges: Someone should rise and defend the child who has only one penny!

It is a little hard to find in the facts, that the tariff in the past has contributed as much as is alleged to the high standard of living in this country. If you study over the industries, you are apt to find the industries with high tariffs are the ones that pay low wages; high wages are in the industries that are productive. How possible? Because wages are determined by efficiency, by

organization, and use of capital, and not exclusively in fact I believe in a very small part, by tariffs.

You'll find the tariff industries, on the other hand, are apt to be industries in which there are high profits, and that may explain the urge there is for protection. Any businessman would like to be protected from his own competitors. Then the same logic holds that you should try to get a tax levied against your competitors. And after all the foreign competitors are merely an added burden to the domestic competitors, and which it is necessary to defeat by efficiency and use of capital and organization.

Now, with regard to 'ruining industry':--There is not much more that I can say beyond that which has been said. There are probably three million workers in this country ordinarily directly employed in connection export trade. Our exports have fallen 30% to what they were in 1929. One can easily attribute to this decline, much of the unemployment. Now then, if any program can be prepared which will give employment to these people and if we can find ways of breaking through the barriers that are preventing certain exports at the present time, and can do so in such a way that there will be a national gain, then it seems a proper part of a recovery program.

In the hearings on this bill in the house one congressman who asked a good many questions gave the secret away at one time. He said: "What will this bill do for my district?" "I come from a certain district in Western Massachusetts—we have certain industries in that district, and I am

their representative here—what will it do for that district?" Obviously if one thinks in those terms, it may well be the bill won't do much for his district—on the other hand there are many place within the United States where it will.

One of the industries most oppressed is the Automobile Industry, and yet in the hearings, certain Congressman from that general area in the country, talked about the danger that might be done to the beat-sugar industry. They didn't say a word about the gain in the Automobile Industry—yet I'll wager the Automobile Industry is 25 times as important to that particular industry than the Beat-sugar industry—but the difficulty is we think in terms of the people who might be hurt and don't realize the much greater gain that might be spread over the entire country. That is all—thank you.

MR. ELY: Mr. Gerard, it is your turn now.

MR. GERARD: I seem to be an official football!

I call your attention first to the fact that I didn't say 'are self-contained', I said, 'the nations are becoming more self-contained' than before, and Prof. Buell didn't say anything before about 'Reciprocal trade Agreements'—and therefore, I assume the 'conversion'.

Now Prof. Thorp seems to be in favor of foreign travel, but spending the money on French food and Champagne is after all, only a temporary sensation!

It is curious how other countries have tackled this question. You may have read three or four days ago that the Germans in traveling abroad, are only allowed to spend a certain amount as rationed by the State.

The Argentinians, who pattered their feet on the Streets of Paris, have been forced to return, and in the passport bureau they say, "We'd like to see the blondes of Paris"—and they are told to dye the fair of some of the girls here and chase them all over the Republic—"But you can't go abroad."

I referred to Japan to show the danger of breaking down the tariff walls. Incidentally, the businessman here, would go to Japan, and prepare to flood the markets in this country. One of the developments of the last fifteen years has been that many of our companies have taken their knowledge and machines and have gone abroad, and are going into competition with our own people.

Mr. Thorp spoke also of the foreign trade of 1929 of five billions of dollars which is now down to one billion. How did it grow up? Because we were fools enough to send our money to every country in the world, and only a small portion of it was used to buy good here—and then, the

people losing the principle said, "Look at our foreign trade—isn't it splendid—"? And if the principle of the 'one penny' on the price of the badge, were carried to a conclusion, then anything that could be sold cheaper should be admitted—and where would our industry be?

I was almost paralyzed with fear over the Sears Roebuck catalog, and taking a quick analysis of it I found forty pages were taken up with just step-ins and stockings, and so on for men's wear—so the catalog boils down into something very easy of solution—like all 'boogies'.

As for the Congressman's Dental Instruments anything that would reduce the number of them I am high in favor of—and it certainly would be logical to put a flat tariff on any of them!

You gentleman have a stage in this country—you own bonds, stocks, houses to rent, and you want to see the business of this country kept up and not altruistically handed over to any other foreign country, where the people live on a scale that our workmen would never stand for. Do you think they are coming to a diet of rice and nine cents a day, and remain quiet on it?

I am a farmer in the Northwest, and I can tell the Congressman the farmers are hot because the tariff on rye and wheat are causing rye and wheat to come in from Poland. Our farmers can't compete with that, so we have a kind word in this particular, to say for the farmers as well as for those engaged in industry.

Gentleman—you have heard a great many generalities tonight but will you hold on to what I give you. They say when a man grows up he stops believing in Santa Claus, and he believes in Statistics—but I am giving you facts, and please consider this when you are considering the question.

MR. ELY: We have got about three or four minutes, now, for you. Would any of you like to ask a question?

QUESTION: Would Dr. Buell favor a free importation of goods on an agreement basis, or that would allow a certain amount free to that country. In other words, handling it on the basis we now allow immigration.

MR. ELY: Mr. Buell—would you?

MR. BUELL: I would.

MR. ELY: All right then, that answers your question; he would. Are there any more questions? Now then, Congressman Lewis, won't you pronounce the Benediction?

CONGRESSMAN LEWIS: I don't want to say anything else.

MR. ELY: Haven't you another catalog?

CONGRESSMAN LEWIS: Thank you sir. I have made all of my contribution that I could.

MR. ELY: Well, its to be hoped that we shall all go away absolutely convinced by what we have heard from Mr. Buell, Mr. Thorp, Mr. Gerard, and Mr. Lewis.

We are adjourned.

THE END