

[March 31, 1934]

By Congressman Everett M. Dirksen
16th District.

(Note: In lieu of the regular news letter, you might be interested in some remarks which the author of the Congressional Front made on the floor of the House on March 29th with respect to the Reciprocal Tariff Bill.)

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DIRKSEN).

Mr. DIRKSEN. Mr. Chairman, tomorrow happens to be Good Friday, and I suppose it would be apropos to preface what I have to say with an allusion to the story of the Good Samaritan. You will remember this gentleman went down the road from Jerusalem to Jericho. The priest passed him on one side and the Levite on the other. Then came the Good Samaritan, and if I remember my scriptural language correctly, it says, "He came where he was". There were no brass bands. There was no heralding. He just came where he was. I want to approach my consideration of this matter in the same fashion by coming right where it is.

After all, this is nothing more than an effort to find an outlet for our surplus agricultural commodities. I live right in the heart of the Corn Belt, where we market corn by the bushel and by the gallon, and therefore I am vitally interested. I am also interested in the industries in my district. May I point out what I deem to be some of the weaknesses of this bill which seeks to confer so much power upon the Chief Executive, with the possibility of prejudicing such industries in my district as might be deemed inefficient. This may seem like a sectional appeal, and yet I believe that both industry and agriculture in all other districts in the Nation are affected in the same manner and in the same proportion as in the sixteenth district of Illinois.

First, let me reaffirm my interest in agriculture and say that prosperity begins with the soil. I yield to no man in my desire to increase farm prices and bring prosperity to the land.

This bill seeks to bring about higher prices by finding a foreign demand or outlet for surplus agricultural products. Create a demand which approximates supply and prices will rise. That is elemental.

So academically stated, the matter is simple enough. However, in practice it is not so simple. There are obstacles. First, I believe the potentialities of foreign outlets are highly overrated. Look at the report released on Monday of this week by the A.A.A. a formidable 400-page report, and note on page 46, how wheat production since 1895 has increased 80 percent. This does not include China or Russia. Population has not kept pace with production of foodstuffs. Note that our exports have decreased in direct proportion to the increase of production in Europe and other continents. Note the comment that other nations have and still are expanding production to acquire a condition of self-sufficiency. Precisely what hope have we of finding much of an outlet under such conditions?

On page 99, note that German hog production doubled since 1921 and in 1934 was the highest on record. Note also that Denmark increased hog production to nearly 5 times the post-war level. This dissipates all mystery as to what happened to our export trade in lard and pork. What advantageous bargains can we drive under such conditions with other countries for agricultural surpluses. None that I can envision. But we can open to them the greatest free market in the world and take a chance on imperiling our own living standards.

Let us assume that there are some substantial outlets. Then what? Manifestly other nations will ask us to accept manufactured goods in return. Mr. Wallace who bulks large in administration matters and for whom I cherish nothing but respect, states the case succinctly enough. In his brochure on "America Must Choose" he states that his leanings are toward internationalism, that international planning calls for adjustments in factories, and that some factories must be retired. Which shall be retired? He says those that are least efficient. Who is to determine? Obviously, the President by the power conferred in this bill will determine. I do not say he would consciously prejudice or sacrifice any industry but think of the uncertainty created by conferring such power.

In my district is a wire mill which suffers from competition by Belgium wire manufacturers. In fact, low wage scales and inadequate duties make it possible for Belgium wire producers to pay the duty, sell through mail order outlets and considerably undersell the factory in my district.

In that same district is a corn products plant which, as a reward for complying with the N.R.A., and doing its utmost to create a market for American corn, must suffer from competition with millions of pounds of imports of sago, arrowroot, cassava, and tapioca starch which can be so cheaply raised and processed in Java and Santo Domingo. Are they to be retired?

Distillers who seek to aid the farmer by processing corn into spirits are at the mercy of heavy imports of blackstrap molasses and find it difficult to compete in price. Are they to be placed on the block?

A pottery in my district suffers from Japanese competition despite the fact that they comply with the N. R. A. and seek to create more employment in their plant. I might interpose at this point that General Johnson, the sergeant of recovery, indicated in the pottery code, when transmitting it to the President, that pottery was not a major industry because it did not employ over 50,000 persons. One might cherish some misgivings about the entire pottery industry in view of that statement. Are they to be harmed or aided by higher tariffs? Particularly, when pottery imports from Japan increased by 69 percent in 1933 over 1932.

Just how will agriculture be benefitted by taking away one domestic customer in the person of an American worker and substituting a foreign customer. It would be an intriguing performance but not very salutary, or helpful. Unless they are given proper protection, the time will come when such industries can no longer exist against cheap foreign competition and those now gainfully employed will cease to be purchasing consumers of farm products in the same proportion as they now are.

Mr. MAY. Will the gentleman yield?

Mr. DIRKSEN. For a brief question; yes.

Mr. MAY. Then, I take it, the gentleman is in favor of giving the President the power to exclude these products by raising the tariff on them under the power conferred in this bill?

Mr. DIRKSEN. Yes; if it were so used but the traditional policy of the party is against such use. There will be no danger of raising rates. The danger lies in lowering rates. It will be on the side of lowering rates to find benefits to agriculture, which I favor, but which I am convinced cannot be found.

I am as much if not more interested in the farmer than in industry because of the emergency condition of the farmer and because of the need of rebuilding his purchase power. We have heard so much speculation as to what is wrong. Some say overproduction. Others say underconsumption. I incline to the latter view. I am like the little colored boy who sat among a pile of watermelons, with distended stomach, unable to eat any more. Some kindly gentleman came along and asked "What's the matter, too much melon?" The little boy said, "Nope, too little nigger." (Laughter.)

That is it. Too little consuming capacity. What has happened to it during these last 20 years. For one thing a decrease in the per capita consumption of wheat amounting to 1 bushel per person or around 120,000,000 bushels per year. A decrease in the per capita consumption of meat of about 13 pounds per person per year. That is another outlet for grain taken away. A slowing up of population increase. In 1920 the excess of births over deaths per 1,000 was 10.6; in 1931 it was but 6.9. There has been greater efficiency in the feeding of livestock so that it requires less feed to achieve the same market weight as in previous years. Finally, there is the frightful displacement of horses and mules by trucks, tractors and cars so that 35,000,000 acres with a production potentiality of 875,000,000 bushels of grain, which formerly raised fuel for farm and draft animals, now goes into surplus. Supply has increased, demand has decreased, and prices have fallen. It is not a mystery.

Foreign trade can help us but very little, and for that little we are willing, if we pass this bill, to invite them to send manufactured goods into our market and further aggravate conditions. It will retard instead of aiding recovery.

Now it is only fair to suggest that I should offer some alternative unless I believe in the philosophy of defeatism and resignation to the inevitable. That is a fair and proper suggestion. Here is my suggestion:

First, stop imports of such products as are in competition with the farmer. Imports of corn are practically nil. But that is not the difficulty. The trouble lies in imports of starch, which is a derivative of corn. As much as 180,000,000 pounds per year has been imported, equal to 9,000,000 bushels of corn. Think of

it, and it comes in duty free. Now this bill does not permit the transfer of free items to the dutiable list or of dutiable items to the free list. Therefore the farmer gets no benefit so far as starch importations are concerned.

Next, embargo all blackstrap molasses except such quantity as is necessary to supply manufacturers for mixing with feeds. As much as 300,000,000 gallons have been imported in a single year for conversion into alcohol, both for commercial and beverage purposes, thereby replacing corn. Assuming that feed manufacturers require 100,000,000 gallons, the other 200,000,000 gallons at the rate of about 6 gallons being equivalent to a bushel of corn would displace 33,000,000 bushels of corn. Think of that. Talk about foreign markets! Let us first save our own market. In 1932, out of 146,000,000 gallons of alcohol produced in this country, 124,000,000 was produced from blackstrap molasses. It is time that kind of hoodwinking of the American farmer was stopped.

Finally, let us convert corn and other grains into anhydrous alcohol and compel its use in gasoline as motor fuel. A 5- or 10-percent mixture would be sufficient to take care of all the agricultural surplus of this Nation and constitute a steady market for years to come. It is time we were recognizing the fact that agriculture is a chemical industry. Instead of telling the farmer what he cannot raise, let us be a bit more positive and tell him what he may raise. If we must have professors in Government, let us have scientific professors, some chemical professors who gave this country rayon, soap, paint, lacquer, films, artificial ice, alkalies, corn products, explosives, perfumes, dyes, and what not. Let us swap chemical test tubes and formulas for textbook theories and on the fallow lands which result from crop reduction show farmers how to raise long-leaf pine for pulp purposes, tung trees for oil, china grass for long fiber, artichokes for sugar, and a lot of other things. Such a program could be evolved in short order and would be durable and permanent.

(Here the gavel fell.)