

8/14/37

THE CONGRESSIONAL FRONT.
By Congressman Everett M. Dirksen,
16th District.

NEW TRADE AGREEMENT WITH SOVIET RUSSIA. In July 1935, we made an agreement with the Soviet Republics under which they gave assurances of purchasing from us goods and commodities to the value of \$30,000,000 each year for a period of three years. On August 6, 1937, we made another agreement with the Soviets which goes much further. Among other things, it gives to that country the benefit of the unconditional and unrestricted most-favored-nation treatment in respect to duties, tariffs, regulations, etc. This unconditional-most-favored-nation treatment that we hear so much about today originated many years ago. We have at the present time, treaties with most of the major nations which contain this clause. In substance, it means that we will give the same treatment, the same benefits and same concessions to one nation that we do to another in the matter of trade. Here is how it works. If we reduce the tariff on pork that comes to the U.S. from Canada, the same reduction is available to any other nation with whom we have a most-favored-nation treaty. If we reduce the tariff on cement from Belgium, the same reduction would be available to Spain, France, Great Britain or other cement producing country. Today we have 16 reciprocal trade agreements in effect with other nations under which specific reductions in tariffs have been made in return for reductions on our products. This new agreement with Russia will mean that all those reductions will be available to her and it will be interesting to see what the course of our imports from the Soviet will be. In return for our concession, Russia agrees to increase her purchases from the U. S. so they will aggregate at least \$40,000,000 per calendar year.

WHERE ARE THE OTHER THIRD? The following statistics released by the Bureau of Labor Statistics are rather illuminating in view of the continued unemployment problem in this country. It shows the average employment on the Class I railroads. (Class I roads are those whose gross annual revenues are a million dollars or more.)

GROUP	:Number of Workers Employed		
	: March : 1937	: March : 1933	: March : 1929
Total	1,101,003	919,881	1,628,388
Executives, officials, and staff assistants :	12,242	12,409	16,981
Professional, clerical, and general :	174,584	162,636	268,477
Maintenance of way and structures :	206,844	175,453	351,634
Maintenance of equipment and stores :	319,713	249,040	459,989
Transportation (other than train, engine, and yard)	134,402	120,364	195,019
Transportation (yardmasters, switch tenders, hostlers)	13,502	12,066	21,893
Transportation (train and engine service) . :	239,716	187,913	314,395

You will note that the total number of workers employed as of March 1937 is about two thirds of the number employed in 1929. Wonder where the other third is today and what they might be doing?

AN OLD FRIEND COMES TO LIGHT. Blackstrap molasses is back on the front page. The reason of course is that Congress has been dealing with a sugar bill and blackstrap is a by-product of sugar refining. To show you how important these molasses importations are, they totalled 236 million gallons in 1936. Of the 172 million gallons of ethyl alcohol made in this country in 1936, 149 million gallons or 76.15% of the total was made from molasses. Only 7.04% was made from grain. This alcohol is used for medicines, for laboratories, for rubbing purposes, for anti-freeze, for lacouers and paints, and to drink. The molasses that now comes into this country for conversion into alcohol does the work of about 30,000,000 bushels of corn. That's between 8% and 10% of the total corn crop that leaves the farm and goes into industry. Now, we want to present for your edification a riddle: It takes 6 gallons of blackstrap to do the work of a bushel of corn. There are 12 pounds in a gallon of molasses. Six times twelve is 72. Therefore 72 pounds of molasses equals a bushel of corn. Molasses has a sugar content of 6%. Therefore 6% of 72 pounds is about 4 1/3 pounds. The tax under the old law is 3/100 of 1¢ per pound of sugars with 20% off for molasses that comes from Cuba. (78% of all molasses imports come from Cuba.) 3/100 times 4 1/3 pounds makes about 1/8 of a cent. Now for the riddle. We let 72 pounds of molasses come in to do the work of a bushel of corn and tax it 1/8 of a cent but under the Tariff Act of 1930, we impose a duty of 25¢ on a bushel of corn. Can you figure this out?

HOW MANY AFFECTED BY THE 40-40BILL. How many workers will be affected by the propos wage and hour bill to established a maximum 40 hr. week and a minimum 40¢ per hour wage level. We don't know. Nobody does but here are some gleanings taken from the National Industrial Conference Board, the Bureau of Labor Statistics and other source that may be of interest. Total population as of July 1,1936 - 128,429,000. Number

of workers of all kinds - 52,800,000. Number of persons engaged in agriculture (who are exempt from the proposed bill) 10,800,000. Total number of non-agricultural workers 42,080,000. Number of unemployed - 7,900,000. Total employed non-agricultural workers as of March 7, 1937 - 34,180,000. Number of persons in exempt groups, about 20,784,000. Number of persons who would be affected if under 40¢ an hour and over 40 hrs. per week, 13,396,000. Number of persons who work more than 40 hrs. a week and would be affected is estimated to be about 6,000,000. Number of persons who receive less than a minimum of 40¢ an hour or \$16.00 a week is estimated at 3,000,000. These estimates however are highly speculative and only serve as a very approximate guide in the deliberations on this measure.

BEHIND THE WAGE HOUR BILL. More than 150 years ago, before we had a Constitution, the original states were so jealous of each other and so selfish about trade that a toll was levied on firewood taken from Connecticut to New York, on cabbages shipped by wagon from New Jersey into Massachusetts and on virtually all commodities taken from one state into another. The result was a paralysis of trade and commerce between states. One can still see some of those little stone toll houses where these taxes were collected. Alexander Hamilton, James Madison, and other framers of the Constitution knew that if the new nation was to progress, this power to regulate the commerce between the individual states would have to be reposed in a strong central government. Thus it was that when the Constitution was prepared it contained a provision found in section 8 of Article I, which says, "The Congress shall have Power to regulate Commerce with foreign Nations and among the several States and with the Indian Tribes." This is the celebrated "commerce clause of the Constitution." Commerce, trade and business between one state and another is inter-state commerce. Commerce, trade and business done entirely within a state is inter-state commerce. Congress has nothing to say about the latter. But under the Constitution it can regulate the former. Cutting hair, selling groceries over the counter, operating a laundry, running a garage and such things are not interstate commerce. Making tractors, washing machine or breakfast food and shipping it into other states is inter-state commerce. Under the proposed bill to establish minimum wages of 40¢ per hour and maximum hours of 40 per week, Congress can only legislate with respect to such business as is in interstate commerce. That is why local business is not directly affected by such legislation and must be regulated by the State legislature if there is to be regulation of such businesses.

HELP FOR STATES ON WILD LIFE PROJECTS. A bill has been introduced by Rep. Robertson of Virginia, Chairman of the Special Wildlife Committee of the House which would make funds available for the creation of wildlife projects such as feeding, nesting, breeding and sanctuary grounds for wildfowl. The bill sets aside the Federal excise tax amounting to a little more than \$3,300,000 and also all except 8% of the funds derived from duck stamps which amounts to about \$400,000, and makes this money available for wildlife purposes. It would be apportioned among the states, on the following basis: One half to each state on the basis that the area of the State bears to the whole area of the United States, and one half on the basis of the number of paid hunting licenses in each state in relation to the total number of hunting licenses for the U.S. The legislature of each state must consent to the provisions of the bill before funds become available to such state. Illinois, if qualified, would share to the extent of several hundred thousand dollars. The bill is pending before the House Committee on Agriculture and is being held up.

It probably needs some vigorous and vocal support from the sportsmen to bring it out.

SHORT SHAVINGS. Nobody, including the Dept. of Labor quite knows to what extent, prison made goods in State and Federal prisons, competes with goods made outside and Senator McCarran of Nevada is therefore proposing a survey at a cost of \$20,000 to see just what the true picture is Comparing 1936 with 1916, the population had increased by 28%, the number of wet states increased from 26 to 42, but the consumption of hard liquor decreased from 139 million to 130 million gallons..... There are women working in eight different kinds of business in the nation's capital who receive less than \$4 per week.... If the bill introduced by Senator Black of Alabama passes, it will require the taking of a census of employment and unemployment before April 1, 1938.