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may be to: Sen. Brewster

National Broadcasting Company
Trans-Lux Building
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FOR THE PRESS

(Not for publication until time of broadcast, 7:00 PM EWT, Saturday, June 23, 1945)

REPUBLICAN MEMBERS OF CONGRESS

EXPLAIN POSITION ON TARIFF BILL

Following is an NBC network broadcast, the nineteenth in a series entitled Our Foreign Policy. The subject is the Reciprocal Trade Agreements Bill. The participants are:

1. Senator Owen Brewster, of Maine, a member of the Commerce and Finance Committees of the United States Senate.
2. Representative Harold Knutson, of Minnesota, ranking Republican member of House Ways and Means Committee.
3. Representative Roy O. Woodruff, of Michigan, a member of the House Ways and Means Committee.
4. Mr. Sterling Fisher, Director of the NBC University of the Air.

The text of the broadcast follows:

ANNCR: Here are headlines from Capitol Hill in Washington:

SENATOR BREWSTER BLASTS CLAIM THAT 3 MILLIONS OF POST-WAR JOBS CAN BE GAINED BY LOWERING TARIFFS.

REPRESENTATIVE KNUTSON PREDICTS PARTIAL ECONOMIC COLLAPSE IF FURTHER TARIFF CUTS ARE MADE.

REPRESENTATIVE WOODRUFF CHARGES THAT ALL NATIONS BENEFITING BY OUR TRADE AGREEMENTS ARE DISCRIMINATING AGAINST THE UNITED STATES.

This is the nineteenth of a series of programs entitled Our Foreign Policy,

featuring authoritative statements on international affairs by Government officials and members of Congress, ^{and} broadcast to the people of America. by NBC's University of the Air and to our [^]service men and women in all parts of the world through the facilities of the Armed Forces Radio Service.

This time we will hear the Republican viewpoint on the Reciprocal Trade Agreements bill which passed the Senate this week. Our guests are Senator Owen Brewster, of Maine, a member of the Senate Commerce and Finance Committees; and Representatives Harold Knutson of Minnesota and Roy O. Woodruff of Michigan, both members of the House Ways and Means Committee. They will be introduced by Sterling Fisher, Director of NBC's University of the Air. Mr. Fisher:

FISHER: With this broadcast we resume our series of interviews with leading members of Congress. You will remember that this series started last February with seven broadcasts featuring top officials of the Department of State. Then we had three broadcasts with members of Congress, followed by a series of eight broadcasts from San Francisco on the United Nations Conference on International Organization. In the next few weeks we hope to get a cross-section of Congressional opinion on our foreign policy.

One issue ~~which was~~ hotly contested in Congress in recent weeks is the Reciprocal Trade Agreements bill, which has now been passed by the Senate following approval in the House. We have asked three leading Republican members of Congress, all of whom were active in the debate on this legislation, to give their reasons for opposing the Trade Agreements bill. ~~Senator Brewster has been on this program before, and needs no introduction. Representatives Woodruff and~~

~~Knutson are among the senior members of Congress, having represented their districts for more than 25 years, and we are honored to have them as our guests.~~

I'd like to start with a question to Senator Brewster. Senator, since this program has just returned from San Francisco, I think it would be appropriate if you would comment on the United Nations Conference and its relation to the reciprocal trade agreements question. The argument is very often heard that political cooperation among the United Nations, through the new international league, will not succeed unless it is backed up by economic cooperation, through the Bretton Woods agreements and the extension of the trade agreements. Do you agree?

BREWSTER: Emphatically not, Mr. Fisher. I don't think there is one-to-one relationship between political and economic policy that the proponents of these economic measures claim exists. Let me make this one thing clear: I expect to support the agreement being drawn up at San Francisco, just as I have gone along with most proposals for international cooperation for many years. I think we would all agree that it will be an imperfect charter, but it will be a start in the right direction. The Bretton Woods agreements do parallel the over-all United Nations organization; they were passed by an overwhelming majority in the House of Representatives, and will no doubt pass the Senate. But the Reciprocal Trade Agreements bill, which has now been passed, is a different matter. It is an issue affecting the American people, primarily, and we ~~have got to~~ ^{must} consider their interests first.

FISHER: Representative Knutson, how would you state your party's position on

the reciprocal trade issue?

KNUTSON: First of all, I think that the press and public in the United States have been given several erroneous impressions of the Reciprocal Trade issue. The debate was not a battle between protection and free trade, - between high and low tariff. I never heard any Republican advance the idea that we should return to tariff-making by Congress, the old haphazard method. Again, whatever might have been the fate of the bill, the present Reciprocal Trade Agreements would have continued in existence. Indeed, though the power to make new trade agreements expired on June 12, all 28 agreements previously concluded continue in force indefinitely.

BREWSTER: Nor do I know anyone in either house of Congress who advocates complete free trade, that is, who opposes the tariff in principle. The debate on reciprocal trade was much narrower. It was concentrated on the question of whether extended powers of reduction of tariffs should be given to the Administration under conditions so little known as those which face us in the immediate future. There are many factors in the world's international life which are far more important than any raising or lowering of tariff. For instance, if the French franc should be set tomorrow at 250 to the dollar instead of 50 (its present artificial rate), French costs would become relatively so low as to permit an inflow of French goods to this country regardless of the tariff we assessed.

FISHER: I presume you agree, Representative Woodruff?

WOODRUFF: Absolutely. The Republicans simply opposed taking any step to alter

the present situation when we cannot know whether such a step will be helpful or disastrous. We preferred to see where we were going before we leaped.

FISHER: I think we'd better have a definition of the reciprocal trade bill before we get any deeper into it. Would you care to try your hand at that, Representative Woodruff?

WOODRUFF: Well, Mr. Fisher, since 1934 we have had a law authorizing the President to sign agreements with other countries, whereby we agree to cut tariffs that interfere with their export of certain commodities to us, and they do the same for us. Agreements have been made with 28 countries. Cuts up to 50 per cent - the legal limit - have been made on 42 per cent of all dutiable imports. This legislation comes up for renewal every two or three years, ~~although the agreements already made are not affected thereby.~~

FISHER: And it was up for renewal ^{again} ~~after~~ this summer.

KNUTSON: But this time the Administration went farther. The State Department asked for authority to make an additional cut of 50 per cent, on top of the 50 per cent already authorized. That makes cuts totaling 75 per cent possible on the items that have already received the maximum cut.

FISHER: The reason the Administration spokesmen gave, I believe, was that most of the items that could be cut without unduly affecting American industry had been cut the maximum amount already, and so they needed more leeway in order to negotiate further agreements on such items. Is that right, Senator Brewster?

No it is not right.

BREWSTER: That's the argument, Mr. Fisher, but I can't agree with it. In the first place, there are a great many items ~~that~~ haven't even been touched. ^{as yet,} And in the second place, we're getting to the danger point in reducing the rates.

The average tariff rate has already been cut from 48 to about 32 per cent. ^{It can be cut ~~from 48 to 32~~ to 26% which is lower than} Under the new provisions, it could be cut to around 16 per cent. Why, even ^{the lowest in modern history,} the Underwood Tariff Act of 30 years ago had an average tariff of 27 per cent and that was considered practically free trade when it was passed back in 1913!

KNUTSON: What I object to most of all is that the agreements made with one country reduce our tariff rates to all other countries as well. That's the "most favored nation" principle stated in the law.

FISHER: In other words, when we make an agreement with the main producer of a commodity to reduce the tariff on it, other countries benefit equally, because that tariff rate is reduced for all of them. Is that what you mean, Mr. Knutson, by the "most favored nation" policy?

KNUTSON: Exactly, Mr. Fisher - and the other nations benefit without making any concessions to us in return!

WOODRUFF: As a matter of fact, we are the only nation in the world to do that. We haven't converted one other nation in all the world to ^{our} that policy.

KNUTSON: It's not my idea of reciprocity - it's one-way dealing, according to my lights.

WOODRUFF: There's another catch in this whole system, too. It may interest

you to know that there is not a single nation in the world that is not discriminating against our commerce. The purpose of our trade policy is to tear down trade barriers, to increase our foreign trade. Yet, in spite of everything we have done, trade barriers throughout the world have increased by leaps and bounds.

FISHER: Actually increased?

WOODRUFF: Yes. In addition, they have cancelled out nearly every benefit we have received.

KNUTSON: The British Empire Preference Tariff System and the so-called sterling bloc, for instance. The British have organized this tight little sterling bloc where each member nation agrees not to buy anything from outside countries like the United States that it can buy within the select circle. Not that I blame the British. But I think we should be just as hard-headed as they are about making concessions.

WOODRUFF: The British system covers about 40 per cent of the earth's surface and is still growing. And the British established this system more than five years after they had started receiving benefits under our Trade Agreements Act.

FISHER: But haven't Great Britain and Canada always been two of our best customers? You have the figures on that, Senator Brewster.

BREWSTER: Yes, they have been among our best customers, but in the future our trade with them will be under strict control, under the Empire preference system and the Sterling bloc. Mr. Churchill himself has said he would not give

but to speak of increasing imports from Britain by 2 billion cannot be a mean disaster to our textile industries workers and many other manufacturing industries!

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up the right "to safeguard ~~our~~ (Britain's) balance of payments by whatever means are necessary".

FISHER: To what extent are ^{these} ~~such~~ policies attributable to the war, Mr. Woodruff?

WOODRUFF: The war undoubtedly plays a part, but most of the policies I am speaking of go back much farther. They include currency devaluation - that has been used by practically every country to get an advantage in the world market. — and

~~FISHER: In the same way as we devalued our currency in 1933?~~

~~WOODRUFF: Most of them have gone much farther than we did, Mr. Fisher. And then there are other devices they have used, such as import quotas, currency rate systems, compensating agreements, exchange controls, multilateral tariffs such as the British Empire preference tariffs, bilateral trade agreements, cartels, export tariffs, shipping controls, and the sterling bloc referred to by Mr. Knutson.~~

FISHER: How far have the British gone with this sterling bloc?

WOODRUFF: Dr. Edwin W. Kemmerer, eminent American ~~Economist~~, when he appeared before the Banking and Currency Committee of the House on May 2, 1945, stated that since January 1, 1940, Great Britain has made "sterling bloc" agreements with twenty countries outside the British Empire, a few of which have been rendered ineffective by war, but most of which are still in operation.

KNUTSON: In addition to these agreements with foreign countries, England still retains her regular preference agreements with countries within the British Empire.

WOODRUFF: Both Sir John Anderson, Chancellor of the Exchequer, and Lord Keynes, according to Dr. Kemmerer, have expressed the view that the proposed International Monetary Fund does not rule out bilateral trade pacts, every one of which, if it involves items we export, is a discrimination against us. Lord Keynes himself has admitted that the British view is that there is nothing to prevent nations, if so inclined, from pursuing policies so destructive to multilateral trade as to make Bretton Woods rather a waste of time.

BREWSTER: And since we are the only nation in the world that indulges in multilateral agreements, the sterling bloc program must be pointed directly at us, Mr. Woodruff. All this indicates how lightly the British regard their obligation to not discriminate against our commerce.

WOODRUFF: ~~The sterling bloc policy unquestionably is the most glaring, the most devastating, example of discrimination against the commerce of the United States that is known, Senator. Britain is not only pursuing this policy today, but she proposes to continue to do so, the provisions of the Trade Agreements Act and the benefits which we extend to her thereunder to the contrary notwithstanding.~~

FISHER: To get back to reciprocal trade pacts: Several arguments have been set forth for this legislation. One is that the trade agreements have increased our foreign trade, thereby creating more jobs. A State Department publication I have here says that from 1934-5 to 1938-9, our exports to countries with which we had trade agreements increased about 63 per cent, while our exports to other countries went up only 22 per cent. What about that, Senator Brewster?

most
 BREWSTER: Those figures are misleading, Mr. Fisher. The non-trade-agreement countries included chiefly Germany, Italy, Spain, Japan, and China. Naturally our trade with them didn't go up in that particular period. The last three were at war in 1938, and the first two were preparing for war. Our only regret is that they got what they did from us - outside of China, of course.

KNUTSON: If you take specific countries, you can see how negligible the effect has been. Let's take Norway and Sweden. Sweden is a treaty country, Norway a non-treaty country. Yet from 1934 to 1938, our exports to Norway went up 100 per cent, while our exports to Sweden rose only 68 per cent.

FISHER: I'm going to list some of the other arguments for a lower tariff policy, one by one, to get your comments. For example, some leading Administration officials have maintained that we must have ten billion dollars in foreign trade, to supply three to five million jobs, if we are to have anything like full employment in the post-war period. *10A* ~~In other words, Senator Brewster, an expanding world economy through increased foreign trade is necessary to avoid unemployment in this country.~~

Conclusively
 BREWSTER: That, Mr. Fisher, is an argument that is largely made up of propaganda. It can be disproved *such as might be made* by figures furnished to the Senate Finance Committee by the U. S. Tariff Commission. We asked them to make a study of the probable effects of an additional cut of 50 per cent in the tariff, ~~as~~ under the present bill. They found this: If the maximum 50 per cent cut were made on all items, which everyone says will not happen; and if our national income were 75 per cent above 1939, then we might reasonably expect an increase in imports of

X Brewster =)

The United States Tariff Commission disposed of that argument when it ~~they~~ reported to the Senate that,

~~if our exports~~

if all our tariffs were cut by 50% our imports would increase by less than one billion dollars, ~~altho thousands of American workers would thus lose their jobs.~~

906 million dollars -- less than a billion dollars -- and American industries and workmen would lose a billion dollars worth of jobs to the foreigners.

FISHER: But what about exports? That's where our jobs would come from.

BREWSTER: If you buy from other countries, then they would presumably use the dollars you pay them to buy from you. If exports and imports roughly balanced, we'd sell the same amount abroad -- less than a billion dollars' worth. *But unfortunately* ~~remember that~~ our export industries use less labor than their import industries. The American workingman loses on balance.

FISHER: You don't disagree with this objective of an expanding world economy, Senator Brewster?

No
BREWSTER: ~~I want to see an expanding world economy as much as anyone, Mr. Fisher,~~ but we won't get it by reducing the tariff to a point where American labor can't compete with cheap foreign labor. ~~That would only bring our own employment down, and harm the world economy.~~ *What we want is to help others up, not pull ourselves down.*

KNUTSON: Some supporters of the reciprocal trade policy would have us believe that universal free trade would raise living standards all over the world. Now, under the Hawley-Smoot Tariff Act, which is still in effect, 64 per cent of all goods we import are on the free list. They provide a fair test. But get this: jute is on the free list, yet the jute workers of India have the lowest wages in the world. The workers in Malaya and the Indies who gather rubber sap and spices were also among the poorest-paid workers before the war - and these products have always been on the free list. The same goes for coffee.

The coffee pickers of Brazil get only a few cents a day.

WOODRUFF: That ought to prove that we can't lift up the workers in other countries simply by tearing down our tariffs.

KNUTSON: The trouble is, the American people have stopped thinking. They are letting the radio commentators think for them.

FISHER: Well, you're a radio commentator yourself, Congressman, from time to time. But now, what about the charge that the depression was brought on, or at least intensified, by the high rates under the Hawley-Smoot Tariff Act of 1930?

KNUTSON: The truth is, Mr. Fisher, the depression really started in Europe in 1926. We were one of the last to suffer from it. Moreover, the Hawley-Smoot law is still in the books. The Administration, despite complete control of Congress the last twelve years, has never even suggested that this Act be repealed.

FISHER: Senator Brewster, what do you say on the relationship of the high tariff system to the depression?

BREWSTER: The fact is, we were already well on the way to recovery by the time the first reciprocal trade agreements were signed. You can look at the record. The first Trade Agreements Act was passed in 1934, but it was about two years - 1936 - before it had an appreciable effect on the tariff rates. More than half of our recovery came under the old tariff rates.

WOODRUFF: And the second depression of 1937 - the "recession", as the Democrats called it - came after the trade agreements program got under way.

BREWSTER: Since then, the war situation has been so abnormal that you can't tell what the effects of the trade agreements have been, if any.

FISHER: Representative Knutson, I think you were going to add something to what you said a moment ago about the effects of a low tariff policy.

KNUTSON: I want to make a comparison and a prediction. After the last war, when the low tariff was in effect, our home markets were glutted with cheap foreign goods. To stop the flood, Congress had to pass the Emergency Tariff Act of 1921. Now, mark my words, the same thing will happen this time, as soon as the warring nations have restored their industries and their farms. You will see a demand from all directions for Congress to restore tariff protection. And unless it is forthcoming you can expect to see industry after industry pulling up stakes and moving abroad to some foreign country. Why should they stay here where we have the 40-hour week, time and a half for overtime, Social Security taxes, and labor trouble all the time, when they can produce more cheaply abroad? They'll go where they can make the most profits.

WOODRUFF: This has already happened to a great extent. At the outbreak of this war we Americans had almost ten billion dollars invested abroad, compared to a little more than two billion in 1932. It was a perfectly natural thing. Just as the textile manufacturers moved from New England to the South to get labor at lower wages, the American industrialist finds now that he can produce for his foreign market at a cheaper cost by using cheap foreign labor and materials,

and avoiding long hauls and exchange difficulties. It was not the American tariff system that caused this. It was simply that the industrialist had to produce cheaply to compete in the foreign markets.

FISHER: On that point of capital investments abroad, it is argued that since we are now a creditor nation, we will have to increase our imports or our loans abroad can't be paid back, because unless we buy their goods they won't have the dollars to pay us with. Senator Brewster, isn't that ^{why} we failed to collect our war debts after the last war? *unfortunately today*

BREWSTER: ~~First let me say that I'm a little doubtful of that "creditor nation"~~

~~argument. If you don't count lend-lease, which was not intended to be paid~~

~~back if it is used up for war purposes, you find that we owe about six billion~~

~~dollars abroad in short-term credits, while only half a billion is owed us.~~

counting out 4.8 billion in lend lease & 14 billion on the last war
Now, it's true we will have to import goods in order to collect on our long-

term investments. But I think we should stop short of the point where American

living standards would be affected.

WOODRUFF: And we can't tell what that point will be until the situation gets shaken down a bit after the war.

BREWSTER: Right. But in any case, increased exports alone won't necessarily create more employment. We might put 50,000 men to work making some sort of gadgets for export. But to pay for them, the other countries with their cheaper labor would have to send in textiles or other goods which might displace 100,000 workers in this country.

FISHER: Even with our efficient, mechanized production, Senator?

BREWSTER: The way to build foreign trade is to make America prosperous here at home. Under the Fordney-McCumber tariff from 1924-29 we had the greatest foreign trade in our history -- over 54 billion dollars. Under the reciprocal trade program from 1934-39 we had less than 30 billion dollars, or a decline of 24 billion dollars. Our tariff rates then were 38 percent. They now average 32 per cent, and they can go below 27 per cent under the existing law -- lower than the Underwood tariff!

FISHER: The State Department claims that no tariff reductions made so far have adversely affected American industry, from an over-all point of view. They are supposed to hold open hearings, to get all the facts, and to avoid cuts which would be injurious to our country.

BREWSTER: That's easy to say, but it doesn't help the workers who are laid off in what they call "inefficient industries".

FISHER: Can you give us some specific examples of industries which have suffered from tariff cuts, Senator?

BREWSTER: Yes. In my own State, ~~seven items have been bound free of tariff, and all of them benefit Canada: pulpwood, wood pulp, newsprint, lumber and timber logs, firewood, lobsters and sea herring.~~ And tariffs on a number of ~~other~~ items of importance to my State were reduced, including ^{lumber} fish, live poultry, blueberries, apples, ^{and woolen & cotton textiles} seed potatoes, and furs. Now, this means lower-priced competition for the lumber and paper industries, and fishing and farming as well.

WODRUFF: But the main point here is that further cuts may have a more serious

effect in the unpredictable period after the war. It would certainly be hazardous to go below the level of the Underwood Tariff Act of 1913 and that's what we seem to be headed for.

KNUTSON: A lot of industries might have been seriously injured by now if the war hadn't acted as a sort of embargo so that there are practically no imports at the present time. What we are afraid of, for example, is that after the war the bottom will drop out of the cattle market when Mexico and Canada begin flooding our markets. The same is true of wool and sheep and a lot of other things.

FISHER: Then there is the argument that high tariffs mean high prices to the consumer. What about that, Congressman Knutson?

KNUTSON: Well, under the Underwood Tariff Act, 25 years ago, rates were very low; but that didn't keep the Cubans from running the price of sugar up to 35 cents a pound, or the Dutch and English from running the price of rubber up from 10 cents a pound to over a dollar. Those two cases ought to prove that low tariffs don't necessarily mean low prices.

FISHER: Not if there is monopoly control, or a cartel arrangement, certainly.

WOODRUFF: There's one other argument for low tariffs you haven't included, Mr. Fisher. That's the argument that they help to avoid wars.

~~BREWSTER~~: The whole course of world history since the reciprocal trade agreements were launched in 1934, ought to dispose of that point.

WOODRUFF: I remember how Mr. Hull, when he was Secretary of State, went to great

lengths in telling the House Ways and Means Committee one time about the wonderful results of the trade agreements program. But he didn't mention any specific benefits. I asked him to name some specific results, and he didn't answer. Finally he said, "It has resulted in softening the mind of the world towards peace". But as you pointed out, Senator, warlike conditions actually increased over the last ten years, and this policy has been in existence for the past eleven years.

BREWSTER: I'd like to return to the point you raised a moment ago, Mr. Fisher, about the way cuts are made. The workings of the State Department on this are difficult to fathom. We give the President of the United States authority to administer the law. But we know he can't do the job himself. How can he be expected to give his time to anything as complicated as this? 1,190 tariff schedules have already been reduced, and each of them involves a record consisting of hundreds or thousands of pages.

WOODRUFF: The actual job is delegated to the State Department, of course.

BREWSTER: The mystery is, who makes the decisions on which items should be reduced, and how far?

FISHER: As I understand it, Assistant Secretary of State Will Clayton is responsible for this program, and before his appointment, Assistant Secretary Dean Acheson handled it.

BREWSTER: Mr. Clayton may be responsible, but he doesn't do the work, either. It has been the policy of the State Department not to disclose the names of the

technical people who really make the decisions. They say this is to protect them from pressure interested parties might turn on. But I want to say this: Throughout the past two years of preparation for the San Francisco Agreement, the State Department has been in almost constant consultation with eight members of the Senate, who have been advised of every development, yet when it comes to our economic foreign policy, we are kept in the dark.

WOODRUFF: It is absolutely essential that industry be given a fair chance to find out what is going on, present their case, and appeal it if necessary. The way it is now, our business men get a notice - sometimes short notice -- from the so-called Reciprocity Information Committee - that a hearing is to be held on every item of trade with a certain country. They get there if they can make it - which isn't always easy in view of present travel conditions. They present their views, and the next thing they know an agreement is announced, all signed and sealed.

KNUTSON: And even if American businesses are harmed by such an agreement, it is very difficult to change it.

BREWSTER: Why can't these anonymous officials who draw up the agreements come out in the open, ^{like those of other countries,} and lay their cards on the table, as we do?

~~FISHER: Gentlemen, I hate to interrupt, but I think we'd better save a little time to summarize your views. Representative Knutson, would you like to start the summing up?~~

~~KNUTSON: Well, Mr. Fisher, for myself, I support the principle of tariff protec-~~

Leave in

FISHER: Gentlemen, I hate to interrupt, but our time is growing short. On this point of exactly how trade agreements are made, I think you have raised a question that should be answered. We are asking the State Department to give us the story of how a trade agreement was reached with some one country, as sort of case history, and if this can be arranged, we'll follow the story through from beginning to end, bringing all the details before the public eye. I hope this can be done in the near future...Now, I think we should summarize the discussion here today. Representative Knutson, would you care to start the summing up ?

KNUTSON: Well, Mr. Fisher, for myself, I support the principle of tariff protec-

tion. Practically every American industry, big or small, is the fruit of the Republican policy of protection. Republican tariff laws brought the tinware industry to America, and developed the domestic steel, rayon, chemical, textile, pottery, and glassware industries. I want to continue protecting American industry from cheap foreign competition. Name-calling is fashionable these days, and some call anyone who tries to safeguard the interests of the American people an isolationist. Well, an isolationist is some one who believes in looking after his own people first. Churchill is one of the world's leading isolationists, and so is Stalin, and I hope I am too, because I believe in looking after the interests of the American people.

FISHER: But what about the reciprocal trade agreements, Congressman?

KNUTSON: The Republican Party now, as in the past, is in favor of true reciprocity, but we believe such trading should be confined largely to the exporting of surplus that we ourselves do not need, and to the importing of those things which we do not produce but need here at home. In a nutshell, that is the principle of the Republican Party and it is the policy that made this country great, strong and prosperous. It was through the operation of the protective tariff that factories were built all over our land, which in two great emergencies enabled us to become the "Arsenal of Democracy" to save the world from totalitarianism and possible slavery.

FISHER: Representative Woodruff?

WOODRUFF: I agree with Mr. Knutson. The Senate vote for this pseudo-Reciprocal Trade Agreements bill was a vote against the American people. There's no way

to tell what will happen after this war as yet, and I don't think we should make any further reductions until we find out.

FISHER: Would you like to add anything, Senator Brewster?

BREWSTER: I think all of us are willing to see the present tariff rates continued, including the agreements made so far under the old reciprocal trade law. I do have a serious objection to one feature of our policy - the "most favored nation" clause in our trade agreements, which means that if we make an agreement with country A, we immediately dress a Christmas tree for the benefit of 30 or 40 other countries with which we are doing business. And I strongly believe the new act should be administered with great caution. I agree with Mr. Woodruff that it would be ^{most} unwise to embark on a program of extensive cuts at this time.

FISHER: A great deal depends on how the new law is administered, I suppose.

BREWSTER: Yes. And let me say this: The best way to help the world is to keep America prosperous. Now, the most that can be expected from further cuts under the law is less than a billion dollars in foreign trade. I'd like to throw in a constructive suggestion that I believe would accomplish far more than that in the way of creating customers for our trade.

FISHER: Go ahead, Senator.

BREWSTER: We can get dollars into the hands of people who want to buy from us by encouraging Americans to travel abroad.

FISHER: How much do you estimate would be spent by Americans abroad, once the war is over and transportation is available again?

BREWSTER: Two or three billion dollars a year might be spent in this way - a way that would not bring in a surplus of foreign goods produced by cheap labor. We will soon be able to go abroad in two or three days, where it used to take a month. I'm convinced that there will be a terrific demand for travel in the future.

WOODRUFF: I think the curiosity of the average American, and his desire to see the world, especially the part that has been devastated by the war, will make him want to travel very widely as soon as conditions permit.

BREWSTER: And that will be very soon, in Europe. The men and women of our armed forces have seen the world. It has broadened their views tremendously. I believe that travel would be of immense value to millions of other Americans - not just a few playboys, but all Americans who can afford it. They should go overseas and see how the rest of the world lives. We can become the world's most cosmopolitan people, and be helping to boost our own exports at the same time.

FISHER: Spoken like a Yankee trader, Senator Brewster. And now, many thanks to you and to Representatives Woodruff and Knutson, for a very clear expression of the Republican viewpoint on the reciprocal trade agreements question.... On next week's Our Foreign Policy program we have scheduled a discussion of the role of Small Nations in the postwar world. Again, three Members of Congress will participate. They are Representatives Everett M. Dirksen of

Illinois, Alvin E. O'Konski of Wisconsin, and Jerry Voorhis of California. Representative Dirksen recently returned from a 32,000-mile trip to Europe and the Middle East, in the course of which he visited 21 countries, and he will have some first-hand observations to report.

ANNCR: That was Mr. Sterling Fisher, Director of NBC's University of the Air. He has been discussing the reciprocal trade agreement policy with Senator Owen Brewster of Maine, Representative Harold Knutson of Minnesota, and Representative Roy Woodruff of Michigan. The discussion was adapted for radio by Selden Menefee. This was the nineteenth of a series of broadcasts on Our Foreign Policy, presented as a public service by the NBC University of the Air. Copies of each broadcast are available at ten cents in coin. If you would like to receive a series of 13 broadcasts, send \$1.00 to cover the cost of printing and mailing. Special rates are available for larger orders. Address your orders to the NBC University of the Air, Radio City, New York 20, New York. NBC also invites your comments and criticisms

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