

TRADE TREATIES

Continued from Page 5

in an effort to beat down trade barriers clear trade channels and bolster commercial theories of the democracies against restrictive dictatorships."

One day later the *Washington Herald*, under the headline, "Step To Arms Treaty Seen," revealed that we had paid a bitter price for the sake of aiding England. "The Empire saw her world markets dwindling, or being menaced by authoritarian nations. She was threatened with war, and the latter, as much as anything, according to foreign experts, erased British objections and broke down the barriers which Hull had been trying to surmount."

"The treaties in the opinion of competent observers, may be the stepping stone in an ultimate military alliance to which all the democracies will join."

A convert is often a more open champion than he who is born into an institution or government, and Boake Carter, the noted radio commentator, is of that clan. Born an English citizen he became an American—and even those who disagree with him admit that he loves the United States.

Yet he has noted several amazing things. "In London, the British reveal that as a price for signing a trade pact, Uncle Sam has agreed to hold the bag in the Far East," he wrote in his column five days after the treaties were signed. "Undersecretary of Foreign Affairs Butler, of Great Britain, reveals that the United States and the British governments have an official 'joint defense' of their 'interests' in the Far East."

Again he notes the waves of emotionalism that are sweeping over this country. Senator Borah's proposal that we break off relations with Germany, John L. Lewis' confident speech to the effect that 20,000,000 Americans are prepared to march against the Nazis, and other such items.

With such a state of affairs in our own country, and with the voter almost as mute as those of any other country—be it Nazi, Fascist, Communist, or Anarchist—the time seems ripe for a declaration by the American people.

JUSTICE TO MEMBERS OF CHRIST

Continued from Page 19

credit circulates as money and acts as a substitute for money does not influence the truth that it represents the expenditure of neither labor nor genius. Such a system, fraudulent as it is, nevertheless puts the banker under an obligation of justice not to call for payment of the debt against Jones, if this will deprive him of his property.

ADMITTEDLY the situation is most difficult for both Jones and the banker who has been informed that deflation is in order. The reason is that human society, which is relatively permanent, cannot function consistently on a temporary medium of exchange. So long as the money medium is conceived as a loan which must eventually be retired, just so long will society suffer from periodic panics. If society is permanent, then the lifeblood of the social body must be permanent. This means that the money medium should be a CREDIT in place of a DEBT. It is hardly possible to exaggerate the importance of this distinction.

Now the fiat of our Congress makes money to be money. In the sense of being a CREDIT, money may be called a legitimate demand for goods and services. This credit, originated by the Congress and paid into circulation,

is acceptable as a money medium precisely because it has been stamped by the Government as money and as receivable for all debts public and private. It comes into existence as a payment by the Government for goods and services, old age pensions, Federal projects, and so forth. Its very issue is in payment of debts incurred by the Government, and once in circulation it is a permanent demand for goods.

This credit circulates from hand to hand facilitating the exchange of wealth within the nation, and eventually returns to the Government in the form of tax collections. Thus the circle has been completed and justice has been done to all. And society being

permanent, the Government pays the same credit out again as before, adding to the volume in proportion to the population increase, and the circle begins again. All of this is accomplished without incurring any debt whatever and without miniature deflations in the form of interest payments.

This is the ideal, yet workable system, which alone can insure justice to the members of Christ who form the basis and the body of our Christian society. This is the form of social justice that will make it easier for men to work out their supernatural destiny as brothers of Christ and members of His Mystical Body.

The Case for Trade Agreements

By HARRY C. HAWKINS

Chief Division of Trade Agreements
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THE trade-agreements program was initiated on June 12, 1934, by means of an amendment to the Tariff Act of 1930, having been made necessary by the drastic shrinkage of our foreign trade during the depression years.

The Trade Agreements Act was passed, to quote the words used in it, "for the purpose of expanding foreign markets for the products of the United States." For the accomplishment of this purpose it does three main things: It authorizes the President to enter into trade agreements with foreign governments; it authorizes him, in connection with these agreements, to modify existing United States duties within a limit of 50 per cent; and it directs him to apply the modified duties to the trade of all countries not discriminating against the trade of the United States.

The Trade Agreements Act did not introduce any methods or policies of tariff making foreign to our form and conception of government. Moreover, the main features of the act, described above, are not new to this country; each of the three has ample precedent in our own tariff history.

POWER to negotiate reciprocal tariff agreements without subsequent submission to the Senate or to Congress has previously been conferred upon the President by Section 3 of the McKinley Tariff Act of 1890, under which 12 agreements were concluded, and by Section 3 of the Dingley Tariff Act of 1897, under which 14 agreements were concluded. . . . The power to modify statutory rates of duty within a 50 per cent range has already been conferred upon the President and has been enjoyed by him without interruption since 1922 under the so-called "flexible tariff" provisions of the Tariff Acts of 1922 and 1930. . . .

In an article entitled "American Jobs for Americans" (See SOCIAL JUSTICE July 4, 1938) it is stated that "because of Secretary Hull's reciprocal agreements with Czecho-Slovakia, the American shoe industry is in a precarious condition." This statement is at total variance with the facts.

By far the greater part of the shoes imported into the United States is of the cemented type on which the duty fixed by the Hawley-Smoot Tariff in 1930 has been left unchanged. The sole action taken with respect to this duty in the trade agreement with Czecho-Slovakia was to bind it against increase.

The only duty reductions which

were made in this agreement were on the three types of shoes of which relatively few are imported. The duty was reduced from 30 to 20 per cent on McKay sewed shoes, imports of which have greatly declined in recent years; from 20 to 10 per cent on molded-sole sandals of which there has been no production in the United States; and from 35 to 20 per cent on leather-soled shoes with fabric uppers.

Even these moderate concessions are so limited in effect as to assure to the domestic shoe producers close to 99 per cent of the total United States shoe market in quantity, and well over 99 per cent of it in value. . . .

A fact which is often lost sight of in connection with our foreign trade in shoes is that we also export shoes. The very fact that the United States exports a wide range of goods to other countries where wage scales are lower than our own shows that higher wages do not necessarily mean higher costs of production. Because many of our industries have been developed to such a high degree of efficiency, and because of our natural advantages and abundance of capital, we can afford to pay higher wages and still compete with the industries of other countries where wages are lower.

Furthermore, since the agreement with Czecho-Slovakia did not become effective until April 15, 1938, it is obvious that the difficulties experienced by the shoe industry during the latter part of 1937 must be attributed to other causes. . . .

Since the few concessions granted on glassware in the agreement with Czecho-Slovakia did not become effective until April 16, 1938, they could not, of course, have affected imports prior to that date nor could they have had any appreciable effect up to the present time. . . .

The utter falsity of the argument that imports are injurious to labor is strikingly proved by facts and experience.

The Federal Reserve Board indices for the 18 years during which they have been kept (1919-37), show that in every single year in which imports decreased, factory employment decreased, and that in every year in which imports increased, factory employment increased. Such increased employment, in fact, results in part from these increased imports, for not only do increased imports mean increased exports, but they provide additional employment directly at the docks, in transportation services, and in wholesale and retail business.

BACK TO JEFFERSON

Continued from Page 20

bank-controlled industry and can give disinterested advice.

Or if the President wants a business man, why not call in Henry Ford, owner of the only major industry in the nation that is not bank controlled. During his 75th birthday interview with the press Mr. Ford said:

"There are good chances for development on all sides. Look at the chance there is to improve the monetary system, for instance, and make it help more to distribute what the people need. Something is always getting out of gear with it, and that brings about compressions, depressions and obsessions."

In pursuing Jeffersonian principles through the pages of history the Democratic Congressman will find that after Jefferson the most truly Democratic President was Andrew Jackson. "Old Hickory" understood Jeffersonian Democracy and had the courage to smash the Bank of the United States despite the opposition of Democratic Congressmen who were on the bank's payroll.

The next prominent Democrat who fully understood Jeffersonian Democracy was William Jennings Bryan who fought against the Hamiltonian Federal Reserve bill when it was introduced in Congress. During his life Bryan was smeared by the bank-controlled press but since his death historians have discovered that if he had had his way in preventing the House of Morgan from financing the Allies during the World War, as he wished to do while acting as Wilson's Secretary of State, America would never have entered the World War.

Then at the last session of Congress a Democratic Congressman from Nebraska, Charles G. Binderup, delivered a series of lectures on money that were Jeffersonian to the core. Congressman Binderup confessed that Jefferson's views on money had shaped his Monetary Control bill. Let the Democratic Congressman compare Jefferson's words on money with those of Charles G. Binderup and ask himself why it is we are not living under the monetary system set forth in Binderup's Monetary Control bill.

But there is no need to confine Jefferson to the Democratic Party. Though the Republican Party in late years has been strangled by the "gifts" of bankers and bank-controlled industries, it did not spring from Hamilton. Its first President, Abraham Lincoln, an ardent admirer of Jefferson and who believed that the Declaration of Independence was written for blacks as well as whites, also followed Jefferson's monetary principles by issuing Government money.

The very name "Republican" was the original name of Jefferson's party and was not changed to "Democrat" until a few years after its founding. The Republican Party was not founded by Hamilton. His party was the Federalist which died after a short life because it failed to represent the people, preferring instead to speak for the bankers. Let the Republican Congressman study the words of Jefferson and the monetary actions of Lincoln for these are the men from whose loins his party sprang—Andrew Mellon, Herbert Hoover and Mark Hanna were really Federalists and not Abraham Lincoln Republicans.

If the 76th Congress of the United States goes back to Jefferson, historians will remember it as the Congress that broke the back of the depression after New Dealism and Hooverism had failed dismally.

SILENCE WOULD BE TREASON

TO THE EDITOR:

Is there freedom of the press? Is there freedom of speech? Is there freedom of the radio?

I heard Father Coughlin's discourse of Sunday, November 20, every word of it—and every word was truth. The telegram sent to him by Radio Station WMCA, accusing him of "inciting religious and racial strife in America" is a downright falsity.

In regard to our ambassadors in foreign capitals, if we love American ideals—

(1) We should never have had any ambassador stationed in Moscow, which is plain;

(2) We should have withdrawn the ambassadors from Mexico City and Barcelona a long time ago.

To say so in public, fearlessly, should be hailed as a sacred duty; to be silent should be treason. Unfortunately, to commit treason against the welfare of America is commonplace, and press and radio are too much on the side of betrayers. The result: corrupt politics, a wealthy nation and government in heavy debt, and misery and poverty and unemployment on every side.

Yes, the pharisees and hypocrites of today need many John the Baptists, preaching repentance and salvation, no matter how much it hurts.

Take heed, ye Radio Stations!

—REV. K. O.

Richmond, Ill.

RELIGION IN GERMANY

TO THE EDITOR:

In SOCIAL JUSTICE of November 28 appears a letter signed by Mrs. A. E. H. of Philadelphia, which aims to show that religion fares much the same in Germany as in Russia. The lady in her third paragraph states that her son knew a lad who hadn't been to Mass or confession for four months because the churches "weren't functioning."

I have just returned from a ten-week stay in Germany, and I also spent, in the Fall of 1937, a six-week period there. I travelled in every section of the country and stayed in tiny rural towns as well as in the great metropolitan centers. I can state without fear of contradiction that everywhere the practices of religion are proceeding normally. Nowhere are churches closed. I took one thousand feet of film and have pictures of the throngs coming out of Catholic churches; pictures of monks in their habits in the streets of Munich; pictures of wayside crucifixes. I saw people often going to confession.

I saw churches from Lubeck in the north to Munich in the south jammed for Mass with reverent throngs. On the Sunday following the Feast of the Assumption, I attended three Masses in Munich, so stirred was I by the beauty and dignity of the service and music. The second Mass, one by Mozart, in the Dom, was sung by a beautiful choir with accompaniment by a stringed orchestra of thirty. The whole was surpassingly beautiful. I remained for the last Mass because they were to have congregational singing. The congregation, overflowing into the aisles, and grouped down before the sanctuary rail, sang—every one of them—with so great a fervor and feeling and such a musical sense, that I am not ashamed to admit tears came to my eyes; it was so touching.

I saw a priest with his choir of twenty-five girls on a holiday at Bonn on the Rhine. At intervals during their meal on the terrace of the hotel, they sang for the other guests and for



the hundred or more passers-by who stopped in the street to listen and applaud. I saw on several occasions nuns on Rhine steamers with hundreds of their pupils on outings. I watched the fervor of the people at their private devotions in the Cathedral (St. Hedwig's) in Berlin just as I did the humble peasants in the Black Forest, or in Tegernsee or Reit-im-Winkl. I saw street processions in Rhineland villages on Corpus Christi day and much more that space doesn't allow.

I do not say that there are not difficulties between Church and State in Germany. But I do say that the practices of religion are everywhere possible just as here. And I further state that the boy referred to by Mrs. A. E. H. either did not want to go to church and thus wished to explain away his failure to attend, or he deliberately falsified and misrepresented, as is the case with a tremendous proportion of the news we read of the country that routed Communism and restored the highest prosperity level in Europe. And Mrs. A. E. H. has been dreadfully deceived.

May I say finally that I am not of German descent, am not pro-Fascist, am not subsidized, or a spy, though these are the accusations that will be made by many of that large group of stampeded, standardized gullibles. I am Catholic, and a lover of democracy of the old, tried-and-true, traditional sort, but not of the new rosy-hued kind. I speak the truth of Germany as I found it, and as my camera recorded it.

—ALBAN J. RYDER

Providence, R. I.

FOUND CONDITIONS IMPROVED

TO THE EDITOR:

In response to an article titled, "Is Hitler an Improvement," I would like to tell Mrs. A. E. H. that she should not believe everything she hears about Germany.

During my three-month stay in Germany last year, I did not forget that I am a Catholic. Wherever there was a Catholic church I found enough opportunity to hear Mass and receive the Sacraments the same as here and nobody holds anyone back who wants to go to church. There are differences between Church and State and it is also true that some nuns and priests are in prison, but most of the time the reason is that they failed to obey laws made by the government and so they

were persecuted the same as other German citizens will be in such cases.

What happened in Vienna and Munich is just the work of an unrestrained mob and no reason why nationalism should be put in the same pot with Communism. In general I was surprised to find conditions in Germany better than I expected, much better than they were ten years ago, before Hitler was there.

Naturally, I like our *free America* better—and so let's join Father Coughlin in his fight for truth and justice and a *free America*!

—G. H.

Buffalo, N. Y.

LEGIONNAIRES GIVE SUPPORT

TO THE EDITOR:

It is very encouraging to note how many American Legion members are becoming loyal supporters of the principles of social justice. It is not surprising, however, because active Legionnaires realize that Justice and Truth are on the defensive today, and that without these, America as a free nation cannot endure. They see the land for which they fought (to make the world "safe for Democracy") entering a stage of degeneration, and have begun to wonder why this great land of opportunity has become a land of scarcity, the alms house and the dole.

Comrade Schror of Albion, New York, in a recent issue of SOCIAL JUSTICE has asked for action in the promotion of social justice through the Legion. No organization is better equipped for this purpose, as the Legion aims to carry out the mandates which are formulated at its annual conventions from resolutions emanating from individual posts all over the country.

Attention Comrades, front and center! After a thirty-minute talk on Communism and the money question, the following resolution was introduced, i.e., "That we respectfully petition the Congress of the United States that they, by proper legislative enactment, establish a Bank of the United States, owned, operated and controlled by the Government of the United States, which bank shall be empowered to coin, issue and regulate all the money in the nation as provided in the Constitution of the United States."

Unfortunately, this resolution failed adoption by a few votes at our local post meeting where I introduced it.

It was nevertheless encouraging to witness the enthusiasm with which it was received, and its failure to pass is simply a challenge to us to redouble our efforts to enlighten others on the subject.

—ERIC ARLT,

Hamilton Post No. 20,
The American Legion.

Baltimore, Md.

WHAT MR. PALEY SAID

TO THE EDITOR:

I would like to bring to your attention some remarks made by William S. Paley, president of the Columbia Broadcasting System, delivered before the Second National Conference on Educational Broadcasting in Chicago on November 29, 1937.

He said: "We broadcasters, as custodians of a great means of mass communication, are eager to have you know what a driving force in our democracy it has become. We are eager to have you know because we believe that if once you know you will see that he who attacks the fundamentals of the American system attacks democracy itself...."

"Broadcasting as an instrument of American democracy must forever be wholly, honestly and militantly non-Partisan."

"Let me next define freedom of the air as I and nearly all other broadcasters understand it. Freedom of the air means the right of a speaker to express any views he may hold on any question of general interest. He must be guarded—and he is guarded—in that right, regardless of how the operators of network or station may themselves feel about the thing he discusses. If he is not libelous or otherwise unlawful, if he is not obscene, if he does not seek to provoke racial or religious hatred, he may say whatever he pleases over the air."

"If I may venture my own definition of democracy, it is this: The ability of a people, *provided they shall have free access to truth*, to choose by instinct and understanding, by trial and error, that way of life which, with fairness to minorities, gives to the greatest number those things which they want. *When I have said 'access to truth' I have defined our policy with regard to culture and education.*"

"To the limit of public acceptance the broadcaster must be willing that the listener shall be exposed to all kinds of ideas on all kinds of subjects. He must not have 'ologies' or 'isms' or cults of his own favoring; he must not have his particular system of economics or his pet brand of science and seek to foist it on the audience. Rather, with constant heed to the demands of those he seeks to satisfy, he must search for that which is familiar and tried or that which is new and vital. *He must look for those who know and those who do and bring them to his microphones whether or not he likes them or their ideas*, or their ways, satisfied—with democratic discipline—to let the people take what they can use and reject the rest."

"As solemnly and as sincerely as I know how, I repeat that our present American system of broadcasting, founded on freedom and fairness of the air, must be preserved and strengthened. Allow censorship to be imposed upon it, deliver it into the hands of autocrats, make it a tool of any party in power, destroy it, and you will have begun to destroy liberty in America."

—C. H. ZIRKEL

Brooklyn, N. Y.