

#### THE PRESIDENT ON TARIFFS

Congress could make no greater contribution at this time to future peace and prosperity than to follow the recommendation of the President to renew the Trade Agreements Act, which will otherwise expire in June of this year. We need a renewal of this act to increase our own post-war exports. We need it in order to permit the war-ravaged economies of Europe to hasten their own restoration by selling their products to us and buying the products they want. We need it above all as a token to the world that we mean to cooperate with all nations who will cooperate with us to restore international peace in an economic as well as in a military sense.

The Trade Agreements Act, as passed in 1934, authorized reductions in our tariff up to 50 per cent of the rates then in effect. Mr. Roosevelt points out that a good many of these reductions have been made, and that in these cases rates cannot be reduced further. This would be an obstacle to further progress in mutual tariff reduction with some of our largest peacetime customers, notably Great Britain and Canada. The President, therefore, recommends that the 50 per cent reduction limit be brought up to date by an amendment that would relate it to the rates of 1945 instead of 1934. Then, as he points out, we shall have the powers necessary to deal with all our friends on the basis of the existing situation.

It is strongly to be hoped that Congress will adopt this amendment. Certainly it need not fear that unless it tariff reductions would go too far or be made too fast. On the contrary, with the present shell-shocked state of mind of the world, which may perhaps continue after the military war is over, the real danger will not be any excessively rapid tariff reduction, but the difficulty of getting some countries to enter into agreements with us.

The President would have been justified, indeed, in going much further than he did. If ever a great opportunity existed to reduce tariffs, it is now. Many protected industries have been converted to other purposes, and we now have, to an extent that we have not had before, the choice of returning to a pattern of production based on high tariffs or to a pattern of production based on low tariffs. As the President indicates, unless we now make clear that we mean to lower the barriers to international trade, "we shall see built up in all countries new vested interests in a system of restrictions, and we shall have lost our opportunity for the greater prosperity that expanding trade brings."

By its action now upon the President's request for a renewal of the Trade Agreements Act, Congress will show with what quality of statesmanship it intends to deal with the enormously difficult problems of the coming peace.