Thank you, Mr. Kelly. Last Friday, hearings opened before the Senate Finance Committee on one of the most complex and yet all-embracing pieces of legislation which will come before the Congress this year. I refer to the bill which would extend our Reciprocal Trade Program, this time for a period of five years. Consideration of this measure by the Finance Committee follows in the wake of its overwhelming approval in the House of Representatives. As hearings began, the first witness was the Secretary of State, Mr. Dulles, who was followed by the Secretary of Commerce, Mr. Weeks. Both of these members of the President’s cabinet stressed the importance and the need for this legislation in the form recommended by the President, especially with regard to extending the program for an additional five-year period. World trade, with all of its broad aspects, touches directly or indirectly the economy of every country on Earth. To some nations, international commerce is the very lifeblood of its existence. To others, it is less vital, but always necessary. Throughout history, wars have been fought because of disputes over trade, and subsequently, conflicts have been won and also lost by means of halting the flow of strategic items necessary to carrying on military campaigns. Barriers against international trade, notably in goods which can be converted into military items, have been ordered by the United States against Iron Curtain countries during recent years. The effect of this action has unquestionably been felt by those concerned, and as a result, we frequently hear of proposals and of quiet negotiations being gotten under way to restore a more favorably balance of trade in the direction of the Communist world. Reciprocal trade, as most people think of it, is not a perfect instrumentality by any means, but its positive effects, generally speaking, do, I believe, outweigh those on the negative side. Obviously, this opinion is shared by the Congress, and therefore by most people throughout the forty-eight states. Its defects are made most notable, perhaps, by certain companies which are in competition with similar industries in other countries. Here the difference lies in the labor costs to produce individual items, and in most countries overseas, the cost of living is considerably less than our own. From the purely congressional
point of view, the larger issue is the extension period of the Reciprocal Trade Act. The President is seeking five years. The House supports him. However, there is a definite indication that the Senate committee will undertake to limit it to two or perhaps three years. In so doing, it will afford the Congress the opportunity of reviewing the entire program at the end of a lesser period of time. At the moment, I tend toward the viewpoint of holding the extension to two or three years. But before reaching a final conclusion, I shall, as always, await the outcome of the public and executive hearings in which our Finance Committee is now engaged.

Mr. Kelly: Thank you, Senator Frear. From the nation’s capital, you have heard United States Senator J. Allen Frear in his regular report to the people of Delaware on current congressional affairs. Senator Frear will be heard again next week at this same time, speaking from the Senate Office Building in Washington.

[End 04:52]