

Nomination of Edgar B. Brossard As Tariff Commissioner

HEARINGS
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
SEVENTY-SECOND CONGRESS
FIRST SESSION
ON
THE NOMINATION OF EDGAR B. BROSSARD
AS TARIFF COMMISSIONER

JUNE 7 AND 8, 1932

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NOMINATION OF EDGAR B. BROSSARD AS TARIFF COMMISSIONER

TUESDAY, JUNE 7, 1932

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C.

STATEMENT OF EDGAR B. BROSSARD; MEMBER OF UNITED STATES TARIFF COMMISSION, ACCOMPANIED BY SYDNEY MORGAN, SECRETARY UNITED STATES TARIFF COMMISSION

The CHAIRMAN. The committee will be in order. Senator Costigan, you may proceed.

Senator COSTIGAN. Doctor Brossard, how long have you been with the Tariff Commission?

Commissioner BROSSARD. As a commissioner?

Senator COSTIGAN. As a member of the commission.

Commissioner BROSSARD. I shall have been there seven years the 22d of July.

Senator COSTIGAN. During that period, you have been familiar with the activities of the commission, of course?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. I ought to say to you that, quite without solicitation, certain statements have been brought to my attention about the conduct of some of the business of the commission, concerning which I feel under official obligation to address some questions to you.

Perhaps I ought to begin with one of the personal matters. Have you a brother living in Washington, and in business here, Dr. Brossard?

Commissioner BROSSARD. Yes, sir; two of them.

Senator COSTIGAN. Has one of them been selling stock within the last two or three years to members of the staff of the Tariff Commission?

Commissioner BROSSARD. One of them was selling stock in Investors Syndicate, and I think sold some to members of the Tariff Commission.

Senator COSTIGAN. Did he endeavor to make such sales while the commission was attending to its business, and in the offices of the commission?

Commissioner BROSSARD. Not to my knowledge; no, sir.

Senator COSTIGAN. It has been stated to me that he entered the offices of the commission during its regular hours, and sold substantial quantities of stock to members of the staff, buttonholing them in and out of their offices for that purpose.

Commissioner BROSSARD. I do not think that is true, Senator Costigan. At least it is not, so far as I know.

Senator COSTIGAN. If he did it, he did not do it with your knowledge or consent?

Commissioner BROSSARD. Not with my approval; and furthermore, he had agreed with me that he would not do it.

Senator COSTIGAN. Do you know how many members of the staff have such stock?

Commissioner BROSSARD. I have no idea about that at all.

Senator COSTIGAN. Is this Mr. Morgan sitting beside you?

Mr. MORGAN. Yes, sir.

Senator COSTIGAN. I have not had the pleasure of meeting you; do you know anything about the matter concerning which I am now inquiring, Mr. Morgan?

Mr. MORGAN. No, Senator; except that if such a thing happened during my administration, it is in direct contravention of the regulations that have been promulgated since I have been there, and we have made a strenuous effort to enforce them. I know of nothing of the kind myself. That would apply to the year and a half I have been with the commission.

Senator COSTIGAN. About a year and a half?

Mr. MORGAN. I came with the commission in November, 1930.

Senator COSTIGAN. Were such sales made prior to the time when Mr. Morgan became secretary of the commission, if you know?

Commissioner BROSSARD. I do not know anything about it, Senator. You would have to ask him about that. Such sales as have been made have been made without my knowledge, and if they have been made, they have been made without my consent at the Tariff Commission, and with an understanding with my brothers that they would not come to the Tariff Commission.

Senator COSTIGAN. Did any one who is associated with the staff ever speak to you of an impression that he was under some compulsion to buy such stock because you were a member of the commission, and the stock was being sold by your brother?

Commissioner BROSSARD. By no means; never.

Senator COSTIGAN. What is the name of your brother?

Commissioner BROSSARD. Howard S. Brossard.

Senator COSTIGAN. What is his address?

Commissioner BROSSARD. I think it is 1419 R Street NW.

Senator COSTIGAN. Is it your view, Doctor Brossard, that the obligations of the Tariff Commission include an impartial attitude toward tariff investigations and the subject of the tariff, when officially discussed by members of the commission?

Commissioner BROSSARD. What do you mean? I do not understand the question, Senator.

Senator COSTIGAN. Is it your view that sides should be taken by a commissioner with respect to whether there should be higher or lower duties, as a matter of public policy?

Commissioner BROSSARD. Do you mean after an investigation has been made, or before the investigation has been made?

Senator COSTIGAN. At any time, in public addresses or otherwise.

Commissioner BROSSARD. With respect to whether a man should separate himself from his individual rights, a good many of the commissioners, I think, ever since I have been on the commission, have held that they had the right personally to make such statement, but I do not know that I should feel free to do that.

Senator COSTIGAN. Did you, prior to the enactment of the tariff law of 1930, give public indications of your support of that measure?

Commissioner BROSSARD. I do not think so. I did not do it for that purpose. If what I said may be interpreted that way, it was not done for that purpose.

Senator COSTIGAN. I hand you a paper entitled, "Extracts from address of Doctor Brossard, for release Saturday night, May 3, 1930, for Sunday morning papers." Was that document authorized for release by you in connection with a public address?

Commissioner BROSSARD. I can not say as to this particular document, Senator, nor the statements that are made in it, but I did make such an address.

Senator COSTIGAN. Where was the address made?

Commissioner BROSSARD. At Philadelphia, before the American Academy of Political and Social Sciences. Whether this is a copy of it or not, I do not know.

Senator HARRISON. May I ask, Was that made after you were reappointed, after the reorganization of the commission?

Commissioner BROSSARD. No; this was made before, Senator.

Senator HARRISON. I think we asked something about that before.

Commissioner BROSSARD. This is the matter which you interrogated me about before.

Senator HARRISON. Yes.

Senator COSTIGAN. It was my understanding that at the time of the prior inquiries, the Finance Committee was not furnished a copy of the release given out. Perhaps I am in error as to that. If you had the full information, I do not wish to pursue the subject further.

Commissioner BROSSARD. I gave the Senator a copy of the full speech at the time.

Senator HARRISON. It is my recollection that we inquired about certain statements he had made, and certain speeches, perhaps, he had delivered, and I just wondered if this was the same matter.

Commissioner BROSSARD. A copy of this speech itself is in the record of the former testimony.

Senator COSTIGAN. If that is so, I shall not press the inquiry further. Have you made speeches since that time of a similar nature, discussing the tariff act of 1930?

Commissioner BROSSARD. No, sir. I have not made any of any nature.

The CHAIRMAN. Have there not been other members of the commission, Senator Costigan, who have made speeches on the other side?

Senator COSTIGAN. I do not know, Mr. Chairman.

The CHAIRMAN. I have seen it in the press a good many times.

Senator COSTIGAN. Frankly, I have not seen any such.

Senator KING. I have seen reports of Mr. O'Brien's speeches.

Senator COSTIGAN. Chairman O'Brien was recently quoted as having made some affirmative statements, but it was my impression that he was testifying before a committee of the House.

Senator WALSH of Massachusetts. The Ways and Means Committee of the House.

Commissioner BROSSARD. A number of the commissioners have given press interviews.

The CHAIRMAN. Did I understand you to say you had not made any speeches since this one?

Commissioner BROSSARD. I have made no speeches since I was confirmed by the Senate last time—no speeches of any kind.

The CHAIRMAN. I think that is a good thing for all the members of the commission.

Commissioner BROSSARD. I think I took my cue from Senator Harrison. He objected to some things I had said, and I said I would not do any more of it.

Senator COSTIGAN. Doctor Brossard, what important investigations are being conducted by the Tariff Commission at this time? I requested the secretary this morning to bring a list of all the investigations in progress.

Commissioner BROSSARD. May I submit this report? [Producing papers.] I did not know the committee requested it.

Senator COSTIGAN. Does this page to which you direct my attention include all pending investigations?

Mr. MORGAN. Substantially so.

Senator COSTIGAN. Or is it followed by other pages?

Mr. MORGAN. That is followed by other pages. It is a distribution, among the divisions, of the work now pending before the Tariff Commission. For instance, under agricultural, which is the first one, all investigations ordered are given first; then mention of the valuation studies second; and third, the pending applications upon which preliminary surveys are being conducted to ascertain the merits of each.

Senator COSTIGAN. On this list, I note a reference to tomatoes and cherries. Are those the investigations started some years ago on canned tomatoes and cherries?

Commissioner BROSSARD. Those investigations started when you were on the commission, do you mean?

Senator COSTIGAN. Some years ago.

Commissioner BROSSARD. Those were completed. These were new investigations that were requested.

The CHAIRMAN. Do these apply to the existing law?

Commissioner BROSSARD. Yes; that is, they have been filed since the passage of the Tariff Act of 1930.

Senator HARRISON. These apply to the one with respect to which the President refused to approve the finding and sent it back to you.

Commissioner BROSSARD. I do not know which ones he is referring to on this list. We had two tomato investigations, Senator, one of canned tomatoes, and one of fresh tomatoes.

Senator COSTIGAN. Will you look at the list, which I have just seen for the first time—

Mr. MORGAN. Tomatoes, prepared or preserved in any manner.

Commissioner BROSSARD. That is, then, the investigation that the President sent back to the Tariff Commission for additional information.

Senator COSTIGAN. Is it true that the President did direct the Tariff Commission in 1930 to continue these investigations after the completion of the—

Senator BARKLEY. Mr. Chairman, the Banking and Currency Committee is in session on the relief legislation. I will have to go to that. I ask to be excused here.

Senator SHORTRIDGE. Had the commission reached conclusions and reported them to the President?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. What happened then?

Commissioner BROSSARD. The President examined the reports and sent them back to the Tariff Commission, asking the commission to obtain the data for additional years, because the data which were available as the basis for that report were of abnormal crop years, and he sent them back, asking us to get the data for additional years when conditions were more normal. That, I think, was the substance of his reply.

The CHAIRMAN. Was it a unanimous report?

Commissioner BROSSARD. Yes. Both were unanimous reports.

Senator SHORTRIDGE. Had you recommended an increase or a decrease in that instance, do you recall?

Senator HARRISON. A decrease.

Commissioner BROSSARD. I think they were both for decreases, Senator.

Senator COSTIGAN. And the President returned them, asking you to continue the investigations after the pack of that year, according to the information I have.

Commissioner BROSSARD. Yes; I think that is right. As I remember it, he said in his statement that he did not want to do anything at that time that would injure agriculture; that it had already been greatly injured by the draught, and consequently he wanted to make sure that the base was broad enough to warrant a change in the rate of duty before he issued the proclamation.

Senator HARRISON. As a matter of fact, though, Mr. Brossard, your investigation pertained to the same years with reference to tomatoes and cherries, that you had applied on eggplant and some other agricultural products.

Commissioner BROSSARD. I do not just remember that point, Senator. These two reports, you see, were made, I think, before applications for the other investigations were filed. I am not sure about that.

Senator HARRISON. I think it is a very fair statement to say that you did make an investigation on several of those propositions—eggplant and a good many other things—and that on cherries and on tomatoes you took the same years you took for the others; and that on these two propositions you recommended a decrease and the President sent it back and asked you for additional data.

Commissioner BROSSARD. I do not remember the specific years for which information was requested.

Senator HARRISON. I think that is true.

Senator COSTIGAN. When did the President make the request that you continue the investigation?

Commissioner BROSSARD. When he returned the reports to us, soon after they were sent to him.

Senator COSTIGAN. Have you the date of that?

Commissioner BROSSARD. Not here.

Mr. MORGAN. I can get it over the telephone, if you would like to have it right now.

Senator COSTIGAN. It was in 1930, was it not?

Commissioner BROSSARD. I believe it was 1930 or 1931.

Mr. MORGAN. The spring of 1931.

Commissioner BROSSARD. I think it was 1931.

Senator COSTIGAN. There has been much discussion of the expedition with which the Tariff Commission is now able to pursue its investigations. Will you advise us why the reports have not since been completed and returned to the President, if that be the fact?

Commissioner BROSSARD. I think the commission has been waiting for something like normal crop conditions to obtain.

Senator COSTIGAN. So that the investigations are indefinitely delayed?

Commissioner BROSSARD. I would not put it that way. They are delayed until such time as normal conditions, or something like normal conditions return, so that we can make a reliable report, a report that will give a satisfactory base for the President's action.

Senator COSTIGAN. Are you suspending all investigations on the ground that conditions are abnormal?

Commissioner BROSSARD. No. We are pursuing all the investigations, because the conditions in many sections are not abnormal, as they are in other sections.

Senator HARRISON. Did I understand you correctly to say that you were waiting for conditions to come that would be satisfactory to the President's wishes?

Commissioner BROSSARD. That would be satisfactory to comply with the President's request for additional crop years, normal crop conditions.

The CHAIRMAN. I got a letter to-day from home, and strawberries are bringing 5 cents a case to the grower. That is all he gets out of a case of them.

Senator COSTIGAN. My question is the larger one, whether conditions are so abnormal that all investigations, under the principle announced by Doctor Brossard, should be suspended. I am not challenging the official action.

The CHAIRMAN. With respect to the items about which I know anything, I would not want a report on them under the present conditions.

Commissioner BROSSARD. We all realize that conditions are quite abnormal in most industries and in most sections of the country.

Senator HARRISON. The thing I do not understand—I think I do understand it, too—is that you applied the same test, for the same years, on some other agricultural products, that you did on tomatoes and on cherries; and it so happened that you found that there ought to be a reduction of the very high rates imposed on cherries and tomatoes, and you so found unanimously.

Commissioner BROSSARD. Yes.

Senator HARRISON. And the President suggested that you ought to take some other years.

Senator SHORTRIDGE. That was clearly within his constitutional and statutory rights and powers.

Senator HARRISON. Absolutely. There is no doubt about that.

The CHAIRMAN. We know the rate on cherries is exceedingly high.

Senator HARRISON. Tremendously high. I thought the commission was absolutely right.

Senator SHORTRIDGE. At the instance of a resolution suggested by me and passed by the Senate, the commission was requested to make an inquiry as to the rate of casein.

Commissioner BROSSARD. Yes.

Senator SHORTRIDGE. Later, and for reasons which seemed to me good, I caused the Senate to rescind that resolution.

Commissioner BROSSARD. Yes.

Senator SHORTRIDGE. And so advised the commission.

Commissioner BROSSARD. Yes.

Senator SHORTRIDGE. My recollection is that the commission, in response to my communication, stated that some preliminary investigation was being carried on in Argentine, and that perhaps it was not wise to discontinue that investigation.

Commissioner BROSSARD. Yes.

Senator SHORTRIDGE. Notwithstanding the rescinding of the resolution calling for the investigation.

Commissioner BROSSARD. Yes; that is true. The reason for that was that before the resolution had been rescinded, we had obtained domestic cost data and we had also had our men, as I remember it, on their way to Argentine to gather the data before the resolution was rescinded.

Senator SHORTRIDGE. Yes.

Commissioner BROSSARD. And the further fact that there were several applications also for this same investigation, in addition to the Senate resolution, which constituted, according to our way of thinking, a reason for us to continue the investigation.

Senator SHORTRIDGE. Notwithstanding the rescinding of the Senate resolution.

Commissioner BROSSARD. Notwithstanding the rescinding of the Senate resolution.

Senator KING. Doctor, let me ask you one question. Do you think it is fair, or does the commission think it is fair, and has it proceeded upon the assumption that it was fair to ascertain the costs in the United States, when they are abnormally low, and not obtain costs in other countries when they are abnormally low, or, if they did, to take into account, in balancing the difference in cost here and abroad, the fact that costs there are in some instances more abnormally low, if I may use that expression, than they are here?

Commissioner BROSSARD. What the commission always tries to do is to get as nearly as possible a representative period, and sometimes, with some of these investigations which we were requested to make by the Senate, we found that in one or the other country, conditions were so abnormal as not to warrant any finding at all, and we so stated in our report, and made no recommendation.

Senator KING. Then, you take the position that where there is abnormality in other countries, it would be very unfair, if that abnormality meant prices far below the normal cost of production, to institute a comparison for the purpose of increasing tariff rates here?

Commissioner BROSSARD. We attempt to be fair on the one side, as much as on the other.

Senator HARRISON. That is why you selected, on cherries and tomatoes, the years you did. You thought they were really representative years.

Commissioner BROSSARD. We took the latest years. You see, with an agricultural investigation, we have to take the most recent years, because the farmers do not keep cost records, and we have to go there and take the costs records by the survey method, which is used universally for getting those data.

Senator HARRISON. But you did not take one year. You took an average, so that it would be representative.

Commissioner BROSSARD. Yes, sir. I think what we did was to take the two most recent years.

Senator KING. Let me ask one more question. I apologize, because it is perhaps a little unfair to Senator Costigan to interrupt you so much.

Senator COSTIGAN. Not at all.

Senator KING. Do you think the attitude of the President in refusing to accept those findings is going to deter, or has deterred, the commission from making further investigations where it ought to have made them?

Commissioner BROSSARD. No; I do not think it has affected the Tariff Commission at all.

The CHAIRMAN. If the commission made another investigation of the cherries, they would report their absolute findings, notwithstanding the fact that the President had sent it back?

Commissioner BROSSARD. Of course, it would not make a bit of difference to us.

Senator HARRISON. The commission ought not to be influenced by the President, and it ought not to be influenced by anything any member of this committee has said in the Senate. It ought to ascertain the facts.

Senator SHORTRIDGE. That is true.

Senator HARRISON. If the commission does that, it will get some standing in this country, and when it is influenced by the President or anybody else it loses standing.

Senator SHORTRIDGE. That is correct.

Commissioner BROSSARD. Our attitude is just exactly what Senator Harrison has stated.

The CHAIRMAN. I think the commission was absolutely right in the cherry report.

Senator COSTIGAN. The fact is that in these lower-duty cases, the commission has not pressed to completion the investigations, whether due to the President's interference, or otherwise. Am I correct about that?

Commissioner BROSSARD. They have not been completed.

Senator COSTIGAN. Is the commission doing anything with them?

Commissioner BROSSARD. We have not yet taken them up again. They are on our calendar.

Senator COSTIGAN. Not since the President returned the papers to you?

Commissioner BROSSARD. No, sir. Our agricultural division has, at several times, casually surveyed the situation in the cherry and the tomato sections of the country, to see whether or not conditions were more nearly normal than they were before, and have reported conditions not greatly changed, and we have consequently not pursued it.

The CHAIRMAN. Senator Costigan, do you not think, under the conditions existing here and in the world, it is rather an unfortunate thing to be compelled to make an investigation upon almost any product?

Senator COSTIGAN. I think that is an open question, Mr. Chairman.

The CHAIRMAN. For instance, what would you do with sugar to-day with Cuba selling sugar for 49 cents a hundred?

If you took the cost and the price at which they are selling it, it would be perfectly useless.

Senator COSTIGAN. The Tariff Commission, in its prior sugar investigation, attempted to meet more or less abnormal conditions by covering a very long period of time, as you know, Senator. It used to be said that conditions with respect to sugar are always abnormal.

The CHAIRMAN. This is the question. Never in the history of the world—and I have gone back as far as there are any records—was there such a condition existing affecting sugar as to-day—not in all the history of the world.

Senator COSTIGAN. There is something to be said for your suggestion, Mr. Chairman. In any event I am not criticizing it at this time and place. What I am endeavoring to discover here is whether the Tariff Commission delayed these investigations because of the President's suggestion or opposition to its findings, in favor of lower duties.

Commissioner BROSSARD. I may answer that "No, we did not."

Senator COSTIGAN. I should like to have in the record, placed there either by you, Doctor Brossard, or by Mr. Morgan, the President's specific request to the commission when the papers were returned.

Commissioner BROSSARD. Will you get that, Mr. Morgan?

Mr. MORGAN. I will.

The President's letter follows:

THE WHITE HOUSE,
Washington, April 1, 1931.

HON. HENRY P. FLETCHER,
Chairman United States Tariff Commission, Washington, D. C.

MY DEAR MR. CHAIRMAN: I am returning without approval, the reports of the commission on tomatoes, prepared or preserved in any manner, and on cherries, sulphured or in brine. No criticism of the work of the commission, either direct or indirect, is implied, but this investigation was of necessity based upon conditions maintaining before the emergency created by the drought and in some cases upon data over a period of so short experience as make it desirable that the commission be afforded more time.

I should like it therefore if the commission would undertake to review the facts upon the basis of the forthcoming crops and make another report.

Yours faithfully,

HERBERT HOOVER.

This letter was made public by the Tariff Commission on April 7, by the following information:

The President has returned to the Tariff Commission without his approval the reports on its investigations on cherries, sulphured, or in brine, and tomatoes, prepared or preserved in any manner, submitted under date of March 12, 1931.

In the case of cherries, sulphured, or in brine, the commission recommended that the rate of duty on unpitted cherries fixed by the tariff act of 1930, viz., 5½ cents per pound, be reduced to 3 cents per pound, and that the rate of duty fixed by that act on pitted cherries, namely, 9½ cents per pound, be reduced to 6 cents per pound. The commission's recommendation was based on costs for the crop years 1919 and 1930 but its findings with respect to unpitted cherries were based upon a calculation of the relationship between the duty on cherries with pits and with pits removed. This procedure was found necessary because there had been no imports of cherries with pits for some five years prior to July, 1930, and imports from the period July to November, inclusive, were not substantial in volume.

After an investigation by the Tariff Commission in 1927, President Coolidge raised the rate of duty on cherries, sulphured, or in brine, stemmed or pitted, to 3 cents a pound, effective January 2, 1928.

In the case of tomatoes, prepared or preserved in any manner (canned tomatoes and tomato paste), the commission recommended that the rate of duty fixed by the tariff act of 1930, 50 per cent ad valorem, be reduced to 25 per cent ad valorem, the maximum decrease permissible under the statute.

Canned tomatoes under the act of 1922 were dutiable at 15 per cent ad valorem and tomato paste at 40 per cent ad valorem. The commission in 1929 reported to the President the results of an investigation concerning these commodities. The President did not approve the findings in the earlier report of the commission that the duty on canned tomatoes should be increased from 15 per cent ad valorem to 22½ per cent ad valorem, and the rate on tomato paste decreased from 40 per cent to 20 per cent ad valorem.

The present investigations were ordered to be made by the United States Senate by a resolution passed July 16—within one month of the passage of the tariff act. The commission had no option or discretion but to proceed with the investigations as ordered.

The rates of duty imposed by the tariff act of 1930 on these commodities will therefore remain in force unless changed as a result of further investigation or by legislative action.

Senator COSTIGAN. May I ask you also one question about another investigation, known as the dried-bean investigation. Do you recall when it was instituted?

Mr. MORGAN. I remember the name of the investigation.

Senator COSTIGAN. Was that prior to the time when you became secretary?

Mr. MORGAN. No; that is a current investigation.

Senator WALSH of Massachusetts. Boston baked beans?

Senator COSTIGAN. It is my understanding that the dried bean cooked is known as the Boston baked bean.

Commissioner BROSSARD. The bean used in the making of the Boston baked beans.

Senator SHORTRIDGE. The investigation is now in progress?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. Has the investigation been dismissed? Was it dismissed at one stage of the investigation?

Commissioner BROSSARD. I think I know something about the history of this bean investigation. I think in the first instance it was requested by a Senate resolution offered, I think, by Senator Vandenberg, of Michigan. Subsequently, before we had really done anything about it, the resolution was rescinded. We had already ordered the investigation in conformity with the resolution, and then, when the resolution had been withdrawn, since we were not involved in any other way, we just canceled the order for the investigation, and did nothing about it further, because we had a lot to do, anyway. Then, subsequent to that, another application, or several of them, came to us, and we ordered, as I remember it, an investigation under the general powers of the commission, a survey under section 332, in which we expect to find all the facts about this bean industry and report them direct to Congress, as provided in section 332 of the tariff act.

Senator COSTIGAN. In other words, you are conducting a survey now, as distinguished from a rate-changing investigation?

Commissioner BROSSARD. That is correct. The rate-changing resolution offered by the Senate was rescinded, and withdrawn.

Senator HARRISON. I just want to clarify something in my own mind, if you will permit me, Senator Costigan. In order for the commission to proceed to ascertain the facts, it can be done either upon the request of either body of Congress, or upon the request of any party in interest, upon formal application?

Commissioner BROSSARD. Or upon our own motion.

Senator HARRISON. Or upon your own motion. Do you always make a preliminary survey first?

Commissioner BROSSARD. Yes.

Senator HARRISON. In either case?

Commissioner BROSSARD. Yes.

Senator HARRISON. You do not pay any more attention to the proposition, or give it any more credence when Congress, either through the Senate or the House, asks you to make an investigation than you do when a party interested asks you to make an investigation?

Commissioner BROSSARD. We have considered it mandatory upon the commission when either house of Congress or the President asks us to make an investigation, because that is specifically provided for in the law. It says we "shall" make an investigation, so that we have considered it mandatory. Consequently, when there is a resolution of the House or Senate, or when we get a request from the President, we put it on the minutes at once.

Senator HARRISON. Whereas, if an interested party makes an application—

Commissioner BROSSARD. We weigh the matter and make a preliminary investigation to see whether the application has any merit or not.

Senator HARRISON. It strikes me, in view of that, that the Congress ought to be pretty slow, and carefully consider the proposition before it passes resolutions.

Commissioner BROSSARD. That is what we think, Senator, if I may say so. I will tell you why—

Senator HARRISON. Yes. I do not know but it ought to be the policy of this committee that whenever a resolution is offered on the floor of the Senate, we should ask to have it referred to the Finance Committee first.

Senator SHORTRIDGE. I think that is sound policy.

Commissioner BROSSARD. We would appreciate that ourselves. We think it should be done.

Senator HARRISON. Then, Mr. Chairman, I move that it be the sense of this committee that when any resolution is offered on the floor of the Senate directing the Tariff Commission to make an investigation, some member of the committee then and there ask for reference to the Finance Committee first.

The CHAIRMAN. Is there any objection?

Senator COSTIGAN. I have no objection, but I am expecting to offer a resolution of that sort before the Senate adjourns. Prior requests of that sort have, of course, gone through.

The CHAIRMAN. We can act upon it.

Senator COSTIGAN. Yes; I have no objection if action is fairly and promptly taken.

Senator HARRISON. Did you contemplate offering it on the floor of the Senate?

Senator COSTIGAN. Yes. I have no objection to your motion.

Senator HARRISON. We can take that action here.

(Senator Harrison's motion was agreed to.)

Senator HARRISON. That will be the policy of the Finance Committee.

Commissioner BROSSARD. That is a very fine motion, for a number of reasons. It has been impossible for us to comply with a number of these resolutions passed by the Senate. Sometimes there are no imports of the article we have been asked to investigate. Sometimes there is no domestic industry at all. Sometimes we have been asked to attempt to compare articles that are not anywhere near "like or similar." Consequently, we have not been able to report specific cost differences. But we have known that in advance.

Senator COSTIGAN. Mr. Chairman, of course the commission ought to be permitted to look over resolutions of this sort, but it ought not to be permitted to dictate the final terms.

Senator SHORTRIDGE. No.

Senator COSTIGAN. Otherwise, the commission could veto a request for a reasonable investigation. I merely mention that so that the record will be clear.

Senator SHORTRIDGE. When a resolution is introduced in the Senate calling for an investigation, Senator Harrison suggests that that resolution be referred to our committee, and that we then consider it, and if it is reported favorably, the Senate will take appropriate action.

The CHAIRMAN. That is right.

Senator COSTIGAN. We were interrupted in the discussion of the dried-bean investigation. As far as the commission had gone, was there any intention, or was there anything that pointed to lower duties on dried beans?

Commissioner BROSSARD. We had not done enough work on it to know.

Senator COSTIGAN. What was the reason for the dismissal?

Commissioner BROSSARD. The withdrawal of the Senate resolution which had ordered the commission to make the investigation.

Senator COSTIGAN. The investigation, however, had been far advanced at the time?

Commissioner BROSSARD. No; we had not obtained, as I remember it, data either abroad or in the field here.

Senator COSTIGAN. Are you in a position to give us information about the furniture investigation?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. When was it begun?

Commissioner BROSSARD. As I remember, it was ordered through a Senate resolution soon after the passage of the act of 1930, and was ordered by the Tariff Commission about July 11. It is still with the commission, in its final stages.

Senator COSTIGAN. Does the commission any longer initiate investigations of its own?

Commissioner BROSSARD. We would do so if we ever had a breathing spell long enough to catch up.

Senator SHORTRIDGE. You have the power, under the law, to do so?

Commissioner BROSSARD. Yes; we do. We have broadened a number of these investigations which have been requested by Senate resolutions. Some of them were not broad enough, according to our understanding, and we have broadened the investigation, not only calling for what was requested in the Senate resolution but for other items in the paragraph which of necessity had to go along with it.

The CHAIRMAN. They had reference to the subject matter, however?

Commissioner BROSSARD. Yes. They always had reference to relevant matters.

Senator COSTIGAN. Have you ordered any investigations in cases where there are what might be termed relatively high duties, and definitely increased imports?

Commissioner BROSSARD. I think the reports of the Tariff Commission show that the Tariff Commission has recommended to the President, and the President has acted upon something like 17 reports resulting in lower duties, and about 12 reports resulting in higher duties.

Senator COSTIGAN. That was not my question, Doctor Brossard. Has the Tariff Commission initiated any investigation in a case in which there have been relatively high duties, and distinctly increased imports—such as cutlery, to give you an illustration. I am not asking whether you have ordered an investigation of cutlery, but I mention cutlery, plate glass, and linseed oil, as illustrations.

Commissioner BROSSARD. We have ordered investigations of plate glass, or rather window glass, and of blown glass table ware.

Senator COSTIGAN. Since 1930?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. Under the new act?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. What were the cases?

Commissioner BROSSARD. With respect to window glass and blown glass table ware, we made report on the window glass investigation, and the duty was reduced.

Senator COSTIGAN. Were those cases initiated by the Tariff Commission?

Commissioner BROSSARD. No; they were ordered as a result of Senate Resolutions.

Senator HARRISON. They were reduced?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. Returning to the furniture investigation—

Commissioner BROSSARD. Senator, the window glass duty was reduced. The blown glass table ware has not been completed yet. I did not want to have the record state that that had been reduced.

Senator HARRISON. As I recall, that was because of the development in modern machinery.

Commissioner BROSSARD. Yes; the window glass reduction was the result of a change in the manufacture.

Senator COSTIGAN. Returning to the furniture investigation, what happened to it?

Commissioner BROSSARD. That is one of those investigations—I do not know whether I ought to discuss that, Senator, because it is so imminent, and is still before the Tariff Commission. I would like to discuss it with you, because it is perfectly plain, and I can give you a very good reason why it is still there.

Senator COSTIGAN. If there is any reason involving confidences, or any reason why you should not discuss it—

The CHAIRMAN. We are having this reported, Senator.

Commissioner BROSSARD. You see, it may go to the President at some time, Senator, and I would not like to discuss the matter here.

Senator HARRISON. I think a proposition that is being considered should not be discussed.

Commissioner BROSSARD. I think it will be perfectly clear case and when you see the report you will agree with us about it.

Senator COSTIGAN. You need not pursue that further. My question really is, has the investigation been expeditiously pursued since it was initiated, as I recall it, in 1930?

Commissioner BROSSARD. Yes. There were certain inherent difficulties in the furniture investigation which the commission has been attempting to resolve in such a way as to make a report on it, and we are going to do so. We could have put the furniture ahead of some of the other work, but the committee members know that during this session, even, we have been requested to do a lot of very urgent work down there on depreciated exchange, and a lot of big investigations—wood pulp and several others, which you have asked immediate action on, and consequently we have thrown our forces toward accomplishing the work which has been requested to be immediately reported.

The CHAIRMAN. There is no intention on the part of the commission to withhold the report?

Commissioner BROSSARD. No; we are going to report it.

Senator HARRISON. Senator Costigan, will you permit me to ask one question?

Senator COSTIGAN. Certainly.

Senator HARRISON. On Fourdrinier wire you recommended an increase, and an increase was granted.

Commissioner BROSSARD. Yes.

Senator HARRISON. It developed in the investigation by the Senate on that item, and was shown quite conclusively, I think, that there was an understanding between the importers of Fourdrinier wire and the producers in this country, with reference to the price, and the price of the imported article followed the price of the domestic article, and the domestic article followed the price of the imported article. Do you take into consideration that fact in the ascertainment of cost differences, and in your recommendation for an increase or decrease?

Commissioner BROSSARD. Yes. If we found any such agreement as that, I think we would report it, frankly.

Senator HARRISON. Do you know whether or not you found any such thing as that?

Commissioner BROSSARD. I do not remember it having been reported, Senator, and consequently I would think that we did not find it, because I am sure if we found such an agreement we would report it.

Senator HARRISON. It was very conclusively shown in the investigation by the Congress that that was true.

Commissioner BROSSARD. I did not happen to be one of the subcommittee members of the commission that handled the Fourdrinier wire investigation, but I remember the report, and was familiar with it as it came up; but there may have been some of the details that they discovered during the investigation that I am not familiar with. It is hard to keep all those things in mind when you have so many before you.

Senator SHORTRIDGE. Do I understand you to say that since the 1930 act you have reported in favor of and the President had approved

the lowering of some 17 different rates, and that you had reported in favor of and he had approved the raising of some 12?

Commissioner BROSSARD. Yes. I think there were 39 in which the findings did not warrant any change in the rate of duty.

Senator SHORTRIDGE. And as to 39 no change was recommended?

Commissioner BROSSARD. Yes, sir.

Senator HARRISON. I suppose that 39 were in cases where there had been increased tariff duties in the last act?

Commissioner BROSSARD. Some were, and some involved the same rates of duty as in the act of 1922. Some of those, of course, involved cases where we could not find comparable items; in some of them there was no domestic industry or no foreign imports. Consequently cost differences could not be ascertained.

Senator COSTIGAN. Will you place in the record a list of the 29 cases in which there were increases or decreases?

Commissioner BROSSARD. Yes; we will be glad to do that. We did not bring the material with us.

Senator COSTIGAN. You are not in position to indicate the important commercial articles in which increases or decreases were ordered?

Commissioner BROSSARD. Yes; I think we can. The value of the items investigated constituted about 14 per cent of the total value of dutiable items in the bill, and we have reported in our last annual report the percentage of the value that were increased and the percentage decreased.

Senator COSTIGAN. Doubtless it would be desirable for the committee's records that such a statement go with your testimony.

Commissioner BROSSARD. Yes. I think it shows a pretty large volume of decreases and some increases.

INVESTIGATIONS COMPLETED UNDER SECTION 336 OF THE TARIFF ACT OF 1930

Thirty-nine investigations under section 336 have been completed and 39 reports made to the President on 72 separate commodities. Rates were increased on 12 commodities, decreased on 17, and on 39 there were no changes. Two reports covering four commodities were returned by the President, who asked that the commission review the facts on the basis of later data and make other reports. New investigations were ordered.

NOMINATION OF EDGAR B. BROSSARD

List of commodities investigated under section 336 of the tariff act of 1930 and reported upon to the President by the Tariff Commission between June 18, 1930, and November 30, 1931, showing the values of comparable imports for consumption in 1929

Commodity	Value of comparable imports for consumption	Commodity	Value of comparable imports for consumption
A. Increases:		C. No changes:	
Woven wire fencing and netting.....	\$153,545	Ultramarine blue.....	\$81,285
Fourdrinier wires and cylinder wires.....	321,704	Wool floor coverings, n. s. p. f.....	1,970,155
Bells.....	17,153	Smokers' articles.....	241,145
Dried eggs.....	5,158,620	Pig iron.....	2,398,587
Hemp cordage.....	74,804	Hides and skins.....	59,710,209
Peas, green or unripe.....	1,124,206	Cheese, except Cheddar and Emmenthaler.....	14,855,575
Boots and shoes, McKay sewed.....	10,595,694	Olive oil, in bulk.....	5,755,263
Total.....	17,445,726	Tomatoes in their natural state.....	3,288,208
B. Decreases:		Beans, snap or string, green or unripe.....	189,671
Pigskin leather.....	326,122	Lima beans.....	226,661
Wood flour.....	148,155	Cucumbers in their natural state.....	96,470
Sewed hats.....	2,260,907	Okra.....	137,209
Maple sugar and maple sirup.....	2,279,939	Pineapples.....	2,091,879
Wool felt hats and wool felt hat bodies.....	9,633,781	Pens.....	343,735
Tomatoes, prepared or preserved.....	9,947,113	Crin vegetal, Spanish moss, flax, tow.....	686,092
Cherries, sulphured or in brine.....	3,341,925	Cement.....	1,920,929
Edible gelatin, valued at less than 40 cents a pound.....	689,295	Lumber and timber.....	36,520,119
Bent wood furniture.....	908,661	Gauge glass tubes.....	69,398
Organs.....	182,002	Feldspar, ground.....	131
Olive oil, in packages less than 40 pounds.....	9,998,207	Boots and shoes, other than McKay sewed and turn or turned.....	5,360,936
Peppers, in their natural state.....	205,417	Total.....	136,492,747
Eggplant, in its natural state.....	219,973	Total all items.....	197,575,883
Cylinder, crown, and sheet glass.....	2,184,595	Per cent of total dutiable imports.....	13.5
Feldspar, crude.....	241,852		
Boots and shoes, turn or turned.....	1,069,466		
Total.....	43,637,410		

December, 1931.

For details concerning each commodity see list below.

List of articles upon which duties have been changed by proclamation of the President, after investigation by the Tariff Commission, under the provisions of section 336 of the tariff act of 1930

INCREASES

Article	Paragraph No.	Change in duty	Date of proclamation or approval of report	Effective date of change		
1. Woven wire fencing and woven wire netting composed of wire smaller than eight one hundredths and not smaller than three one hundredths of an inch in diameter coated with zinc or other metal before weaving.	397	Increased from 45 per cent ad valorem to 50 per cent ad valorem.	Feb. 5, 1931	Mar. 7, 1931		
2. Woven-wire fencing and woven-wire netting composed of wire smaller than eight one hundredths and not smaller than three one hundredths of an inch in diameter coated with zinc or other metal after weaving.	397	Increased from 45 per cent ad valorem to 60 per cent ad valorem.	do	Do.		
3. Fourdrinier wires, suitable for use in paper-making machines.	318	Increased from 50 per cent ad valorem to 75 per cent ad valorem.	Mar. 16, 1931	Apr. 15, 1931		
4. Cylinder wires over 55 meshes per lineal inch in warp or filling.			1005 (a) (3)	Increased from 3¼ cents per pound to 4⅞ cents per pound.	June 24, 1931	July 24, 1931
5. Woven-wire cloth over 55 meshes per lineal inch in warp or filling, suitable for such wires.						
6. Cordage, including cables, tarred or untarred, composed of three or more strands, each strand composed of two or more yarns, wholly or in chief value of hemp.	713	Increased from 18 cents per pound to 27 cents per pound.	do	Do.		
Dried egg products:	364		Increased from 50 per cent ad valorem to 70 per cent ad valorem.	do	Do.	
7. Whole eggs	1530 (e)	Increased from 20 per cent ad valorem to 30 per cent ad valorem.	Dec. 2, 1931	Jan. 1, 1932		
8. Egg yolk						
9. Egg albumen	769	Increased from 3 cents per pound to 3⅞ cents per pound.	do	Do.		
10. Bicycle, velocipede, and similar bells, finished or unfinished, and parts thereof.						
11. McKay sewed boots and shoes						
12. Peas, green or unripe						

DECREASES

1. Wood flour	412	Decreased from 33⅓ to 25 per cent ad valorem	Feb. 5, 1931	Mar. 7, 1931
2. Maple sugar	503	Decreased from 8 to 6 cents per pound	do	Do.
3. Maple sirup	503	Decreased from 5½ to 4 cents per pound	do	Do.
4. Hats, bonnets, and hoods of straw, chip, paper, grass, palm leaf, willow osier, rattan, real horsehair, cuba bark, ramie or manila hemp, wholly or partly manufactured, if sewed.	1504 (b)	Decreased from \$4 per dozen and 60 per cent ad valorem to \$3 per dozen and 50 per cent ad valorem.	do	Do.
5. Pigskin leather not imported for footwear	1530 (c)	Decreased from 25 per cent ad valorem to 15 per cent ad valorem.	do	Do.
6. Edible gelatin, valued at less than 40 cents per pound	41	Decreased from 20 per cent and 5 cents per pound to 12 per cent ad valorem and 5 cents per pound.	Mar. 16, 1931	Apr. 15, 1931

List of articles upon which duties have been changed by proclamation of the President, after investigation by the Tariff Commission, under the provisions of section 336 of the tariff act of 1930—Continued

DECREASES—Continued

Article	Paragraph No.	Change in duty	Date of proclamation or approval of report	Effective date of change
7. Wool-felt hat bodies and similar articles.....	1115 (b)	Decreased from 40 cents per pound and 75 per cent ad valorem to 40 cents per pound and 55 per cent ad valorem.	Mar. 16, 1931	Apr. 15, 1931
8. Wool-felt hat bodies pulled, etc., and finished hats and similar articles.....	1115 (b)	Decreased from 40 cents per pound and 75 per cent ad valorem and 25 cents per article to 40 cents per pound and 55 per cent ad valorem and 12½ cents per article.	.....do.....	Do.
9. Olive-oil weighing with the immediate container less than 40 pounds.....	53	Decreased from 9½ cents per pound on contents and container to 8 cents per pound on contents and container.	June 24, 1931	July 24, 1931
10. Bent-wood furniture wholly or partly finished, and parts thereof.....	412	Decreased from 47½ per cent ad valorem to 42½ per cent ad valorem.	.....do.....	Do.
11. Pipe organs and parts thereof.....	1541 (a)	Decreased from 60 per cent ad valorem to 35 per cent ad valorem.	.....do.....	Do.
12. Pipe organs and parts thereof for church or other public auditorium not charging admission fee.	1541 (a)	Decreased from 40 per cent ad valorem to 35 per cent ad valorem.	.....do.....	Do.
13. Feldspar, crude.....	207	Decreased from \$1 per ton to 50 cents per ton.....	Dec. 22, 1931	Jan. 1, 1932
14. Cylinder, crown, and sheet (window) glass.....	219	Decreased from 1¾ cents to 1 ²⁶ / ₆₄ cents per pound on sizes not over 150 square inches; 2 ¹⁹ / ₆₄ cents to 1 ³⁵ / ₆₄ cents per pound on sizes over 150 and not over 384 square inches; 2 ⁷ / ₁₆ cents to 1 ⁵³ / ₆₄ cents per pound on sizes over 384 and not over 720 square inches; 2½ cents to 1 ⁹³ / ₆₄ cents per pound on sizes over 720 and not over 864 square inches; 3 cents to 2¾ cents per pound on sizes over 864 and not over 1,200 square inches; 3¾ cents to 2 ⁵ / ₆₄ cents per pound on sizes over 1,200 and not over 2,400 square inches; 3¾ cents to 2 ⁵ / ₆₄ cents per pound on sizes over 2,400 square inches. Minimum rate on foregoing weighing less than 16 ounces but not less than 12 ounces per square foot decreased from 50 per cent ad valorem to 37½ per cent ad valorem.	.....do.....	Do.
15. Boots and shoes of leather, turned.....	1530 (e)	Decreased from 20 per cent ad valorem to 10 per cent ad valorem.	.....do.....	Do.
16. Peppers in their natural state.....	774	Decreased from 3 cents per pound to 2½ cents per pound.	.....do.....	Do.
17. Eggplant in its natural state.....	774	Decreased from 3 cents per pound to 1½ cents per pound.	.....do.....	Do.

List of articles included in reports by the Tariff Commission to the President, under the provisions of section 336 of the tariff act of 1930, which did not specify a change in duty

Article	Par. No.	Date of report to President
Hats, bonnets, and hoods of straw, chip, paper, grass, palm leaf, willow osier, rattan, real horsehair, cuba bark, ramie, or manila hemp:		
1. Not blocked or trimmed, not bleached, etc.....	1504 (b)	Feb. 5, 1931
2. Not blocked or trimmed, bleached, etc.....		
3. Blocked or trimmed.....		
4. Harvest hats valued at less than \$3 per dozen.....		
Ultramarine blue:		
5. Valued at 10 cents or less per pound.....	68	Do.
6. Valued at over 10 cents per pound.....		
7. Wool floor coverings, n. s. p. f.....	1117 (c)	Do.
8. Edible gelatin valued at 40 cents or more per pound (see also No. 6 under "Decreases").....	41	Mar. 16, 1931
Smokers' articles:		
9. Pipes of brierwood.....	1552	Do.
10. Pipe bowls of brierwood.....		
11. Other pipes, n. s. p. f.....		
12. Other pipe bowls, n. s. p. f.....		
13. Cigar and cigarette holders.....	737 (3)	Apr. 7, 1931
14. Mouthpieces.....		
Cherries sulphured or in brine: ¹		
15. With pits.....		
16. With pits removed.....	772	Do.
Tomatoes prepared or preserved: ¹		
17. Tomatoes, canned.....	397	June 24, 1931
18. Tomato paste.....		
19. Chimes (see also No. 10 under "Increases").....	1541	Do.
20. Carillons (see also No. 10 under "Increases").....	53	Do.
21. Olive oil in bulk (see also item No. 9 under "Decreases").....	301	Do.
22. Iron in pigs and iron kentledge.....	1630 (a)	Do.
23. Hides and skins of cattle of the bovine species.....	710	Do.
24. Cheese, except of American or Cheddar and Swiss or Emmenthaler types.....		
25. Ground feldspar (see also item No. 13 under "Decreases").....	214	Dec. 2, 1931
26. Boots and shoes other than turned and McKay sewed (see also No. 15 under "Decreases," and No. 11 under "Increases").....	1530 (e)	Do.
27. Gauge glass tubes.....	218 (b)	Do.
28. Cement or cement clinker.....	205 (b)	Do.
Pens:		
29. Of steel.....	351	Do.
30. Of other metal.....		
31. With nib and barrel in 1 piece.....		
Lumber and timber of—		
32. Fir.....	401	Do.
33. Spruce.....		
34. Pine.....		
35. Hemlock.....		
36. Larch.....	1001, 1684, 1722	Do.
37. Crin vegetal, flax upholstery tow, and Spanish moss.....		
38. Pineapples.....	747	Do.
39. Fresh tomatoes.....	772	Do.
40. Snap beans.....	765	Do.
41. Cucumbers.....	774	Do.
42. Okra.....	774	Do.
43. Lima beans, green or unripe.....	765	Do.

¹ Report which specified a change in duty, returned by President for further investigation.

Applications received for investigation

UNDER SECTION 336

Para- graph No.	Commodity	Date application received	Nature of request	Applicant	Status
SCHEDULE 1.—Chemicals, oils, and paints					
5	Haarlem oil.....	Mar. 16, 1932	Increase.....	Baltimore Drug Co.....	Dismissed without prejudice.
8	Antimony oxide.....	Nov. 11, 1931	do.....	Texas Mining & Smelting Co.....	
19	Casein.....	Jan. 12, 1931	Investigation.....	Senate Resolution 390.....	Investigation ordered.
27	Parachlorometa creso ¹	Nov. 29, 1931	Decrease.....	Monite Waterproof Glue Co.....	Do.
41	Edible gelatin.....	Nov. 28, 1931	do.....	Centro de la Industria Lechera.....	Do.
41	Glue.....	July 2, 1930	do.....	Lehn & Fink (Inc.).....	Withdrawn.
41	Nonedible gelatin.....	Sept. 26, 1930	do.....	Delft Gelatine Works.....	Investigation completed (see Table IV).
41	Glue.....	Feb. 21, 1931	Investigation.....	Senate Resolution 458.....	Investigation ordered.
48	Lime juice, raw.....	Feb. 10, 1932	Increase.....	Peter Cooper Glue Corp.....	Do.
52	Sperm oil, crude.....	May 11, 1931	Decrease.....	Arthur Schwartz Corporation.....	Dismissed without prejudice.
53	Olive oil.....	Aug. 1, 1931	do.....	Bureau of Raw Materials for American Vegetable Oils and Fats Industries.....	Investigation ordered.
67	Crude barytes ore.....	July 17, 1930	Investigation.....	Senate Resolution 324.....	Investigation completed (see Table IV).
68	Ultramarine blue.....	Sept. 25, 1930	Increase.....	Clinchfield Sand & Feldspar Corporation.....	Withdrawn.
77	Lithoponc.....	July 1, 1930	Investigation.....	Senate Resolution 309.....	Investigation completed (see Table IV).
94	Collodion emulsion.....	Jan. 6, 1932	Decrease.....	Sachtleben Mining and Chemical Industry Corporations.....	Investigation ordered. Application withdrawn. Investigation dismissed.
		Jan. 14, 1931	Increase.....	Penn Process Co. (Inc.).....	Dismissed without prejudice.
SCHEDULE 2.—Earths, earthenware, and glass-ware					
202	Quarries or quarry tiles.....	May 5, 1932	Decrease.....	William H. Revis, (Inc.).....	Pending.
205	Cement.....	June 19, 1930	Investigation.....	Senate Resolution 295.....	Investigation completed (see Table IV.)
206	Pumice stone, ground.....	June 1, 1931	Decrease.....	Charles B. Chrystal Co. (Inc.); Whittaker, Clark & Daniels (Inc.).....	Dismissed without prejudice.
206	Pumice stone, wholly or partly manufactured.....	July 20, 1931	Increase.....	James H. Rhodes & Co.....	Do.
		Sept. 1, 1931	do.....	K. F. Griffiths & Co. (Inc.).....	Do.
		Sept. 3, 1931	do.....	National Pumice Stone Co. (Inc.).....	Do.
207	Crude feldspar.....	Apr. 23, 1931	Decrease.....	Consolidated Feldspar Corporation.....	Investigation completed (see Table IV).
207	Flourspar.....	May 20, 1931	do.....	Carrieres & Mines de l'Estere.....	Investigation ordered.
207	Clays artificially activated.....	Mar. 2, 1932	do.....	L. A. Salomon & Bro.....	Dismissed without prejudice.
213	Crystalline flake graphite.....	Mar. 15, 1932	do.....	Chamber of Commerce of Madagascar.....	Pending.
218 (b)	Gauge-glass tubes.....	Mar. 2, 1931	Increase.....	The Libbey Glass Manufacturing Co.....	Investigation completed (see Table IV).
218 (f)	Blown-glass tableware.....	July 22, 1930	Investigation.....	Senate Resolution 330.....	Investigation ordered.
219	Window glass.....	July 11, 1930	do.....	Senate Resolution 313.....	Investigation completed (see Table IV).
229	Incandescent lamps with filaments of carbon.....	July 15, 1930	Increase.....	North American Electric Lamp Co.....	Dismissed without prejudice.

SCHEDULE 3.—Metals and manufactures of						
302 (a)	Ferruginous manganese ore.....	Dec. 11, 1931	Decrease.....	William W. Hearne, Inc.....	Pending.	
301	Pig iron.....	July 1, 1930	Investigation.....	Senate Resolution 309.....	Investigation completed (see Table IV).	
302 (j)	Aluminum.....	Sept. 15, 1930	Decrease.....	Fred Truempy.....	Investigation ordered.	
316	Ferro-silicon aluminum.....					
	Ferroaluminum silicon.....					
	Wires and cables, rubber insulated.....	June 19, 1931	do.....	N. V. Hollandsche Draad en Kabelfabrick (Holland Insulated Wire and Cable Works).....	Dismissed without prejudice.	
314	Cotton ties.....	Apr. 25, 1932	Increase.....	Atlantic Steel Co., et al.....	Pending.	
318	Fourdrinier wires.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	Investigation completed (see Table IV).	
321	Steel antifriction balls.....	Apr. 21, 1931	Increase.....	Hider Steel Ball Works.....	Dismissed without prejudice.	
328	Hot-rolled small-diameter tubing.....	Aug. 14, 1930	do.....	Sharon Tube Co.....	Do.	
329	Bicycle chains.....	Nov. 9, 1931	do.....	Diamond Chain & Manufacturing Co.....	Pending.	
				The Beardsley & Wolcott Manufacturing Co.; The Mattatuck Manufacturing Co.; The C. G. Garrigus Co.; American Ring Co.; The Turner & Seymore Manufacturing Co.; North & Judd Manufacturing Co.; Atlas Tack Corp.; The Brewer-Titchener Corp.; The Hillwood Manufacturing Co.....	Investigation ordered.	
331	Upholsterers' nails.....	Oct. 2, 1931	do.....			
	Thumb tacks.....					
	Chair glides.....					
342	Umbrella frames.....	July 2, 1930	Investigation.....	Senate Resolution 312.....	Do.	
351	Pens.....	Dec. 9, 1930	do.....	Senate Resolution 360.....	Investigation completed (see Table IV).	
		Feb. 12, 1931	Extending investigation.....	Senate Resolution 438.....	Do.	
364	Bells.....	June 19, 1930	Investigation.....	Senate Resolution 295.....	Do.	
367	Cylinder balances complete for Swiss watches.....					
	Hairsprings colleted and studded for Swiss watches.....	Oct. 11, 1930	Decrease.....	M. J. Lampert & Sons (Inc.).....	Dismissed without prejudice.	
	Radium hands for Swiss watches.....					
	Secondhands for Swiss watches.....					
372	Power-driven machines for punching, shearing, blanking, forming, and assembling metal, and fixtures, tools, attachments, and parts therefor.....	Nov. 20, 1931	Increase.....	The Toledo Machine & Tool Co.....	Do.	
	Corn knives.....					
	Drainage tools.....					
	Forks.....					
	Grass hooks.....					
	Hoes.....					
373	Rakes.....	June 19, 1930	Investigation.....	Senate Resolution 295.....	Investigation ordered.	
	Scoops.....					
	Scythes.....					
	Shovels.....					
	Sickles.....					
	Spades.....					
376	Antimony, regulus, or metal.....	Nov. 11, 1931	Increase.....	Texas Mining & Smelting Co.....	Dismissed without prejudice.	

Applications received for investigation—Continued

UNDER SECTION 336—Continued

Para- graph No.	Commodity	Date application received	Nature of request	Applicant	Status
SCHEDULE 3.—Metals and manufactures of— Continued					
1 395	Embossing rollers..... Print rollers for embossing work..... Mills, kuris, or mollettes, for production of embossing rollers.....	May 28, 1932	Increase.....	America's Wage Earners' Protective Con- ference..... Friendly Society of Engravers.....	Pending.
	Dies used in production of mills, etc., essen- tial in production of embossing rollers.....				
396	Aluminum folding rules..... (See also Wooden folding rules.)	July 27, 1931	do.....	Master Rule Manufacturing Co. (Inc.).....	Investigation ordered.
397	Wire netting.....	June 19, 1930	Investigation.....	Senate Resolution 295.....	Investigation completed (see Table IV).
397	Wire fencing..... Spring rings. (See Schedule 15.)				
SCHEDULE 4.—Wood and manufactures of					
401	Northern white pine..... Norway or red pine..... Eastern spruce.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	Investigation completed (see Table IV).
401	Lumber and timber if of fir, spruce, pine, hemlock, or larch, produced in the Pacific Northwest.....	July 17, 1930	do.....	Senate Resolution 321.....	Do.
401	Douglas fir..... Sitka spruce..... West-coast hemlock.....	Sept. 3, 1930	Increase.....	West Coast Lumbermen's Association.....	Do.
401	Southern yellow pine.....				
412	Bent-wood furniture.....	Dec. 22, 1930 June 23, 1930	do..... Decrease.....	Southern Pine Association..... Thonet Bros.; Jacob & Josef Kohn and Mundus (Inc.); Penn Commercial Corp.; Astra Bent Wood Furniture Co.; Stand- ard Bentwood Co.	Do. Investigation completed (see Table IV).
412	Furniture.....	June 19, 1930	Investigation.....	Senate Resolution 295.....	Investigation ordered.
412	Wood flour.....	July 11, 1930	do.....	Senate Resolution 313.....	Investigation completed (see Table IV).
412	Wooden folding rules..... (See also Aluminum folding rules.)	July 27, 1931	Increase.....	Master Rule Manufacturing Co. (Inc.).....	Investigation ordered.
SCHEDULE 5.—Sugar, molasses, and manufactures of					
501	Sugar.....	July 1, 1930	Investigation.....	Senate Resolution 309.....	Investigation ordered.
	Sugar refined.....	do.....	do.....	Senate Resolution 325.....	Investigation dismissed by Senate resolu- tion.

501	Sugar, raw and refined.....	June 10, 1931	Increase.....	Various beet growers of Colorado, California, Utah, Montana, Wyoming, Kansas, Nebraska, and Idaho.	Investigation ordered.
501	Sugars polarizing over 98 sugar degrees or which have been advanced in value or condition beyond that of what is commonly known as raw sugar.	July 1, 1931	do.....	Western sugar refinery and 38 other sugar organizations interested in refined sugar.	Do.
502	Edible molasses.....	June 10, 1931	do.....	(See application for sugar, raw and refined) ..	Do.
	Cane sirup.....				
	Blackstrap molasses.....				
503	Maple sugar.....	June 25, 1930	Decrease.....	The John G. Paton Co.	Investigation completed (see Table IV).
	Maple sirup.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	Do.
504	Sugarcane in its natural state.....	Mar. 24, 1931	Decrease.....	Central Romona (Inc.).....	Application dismissed without prejudice.
506	Chocolates.....	July 17, 1930	Investigation.....	Senate Resolution 324.....	Investigation ordered.
	Confectionery.....	do.	do.	do.	Investigation ordered; dismissed by Senate resolution.
SCHEDULE 7.—Agricultural products and provisions					
	Cattle weighing less than 700 pounds each, and cattle weighing 700 pounds or more each:	July 10, 1931	Decrease.....	Lancaster Live Stock Exchange.....	Withdrawn.
	do.....	Feb. 20, 1932	do.....	A. R. Metzger.....	Pending.
	do.....	do.	do.	L. M. Blackwell.....	Do.
701	do.....	do.	do.	Henry E. Becker.....	Do.
	do.....	Mar. 8, 1932	do.	John Caldwell.....	Do.
	do.....	Apr. 29, 1932	do.	C. W. Williams.....	Withdrawn.
	do.....	May 10, 1932	do.	Erville Dollmeyer.....	Pending.
	Dark dried blood albumin.....	Jan. 11, 1932	do.....	Mormagstar, Nicol (Inc.).....	Do.
	Light dried blood albumin.....				
710	Cheese.....	July 17, 1930	Investigation.....	Senate Resolution 324.....	Investigation completed (see Table IV)
	do.....	Dec 29, 1930	Decrease.....	Ste. Auxiliare De L'Industrie Du Sud-Ouest De La France.	
713	Dried eggs.....	July 30, 1930	Increase.....	Knox Bonde, chairman tariff committee, National Poultry Council.	Do.
	do.....	Jan. 22, 1931	Investigation.....	Senate Resolution 389.....	Pending.
713	Whole eggs, frozen or otherwise prepared or preserved.	Apr. 10, 1931	Decrease.....	The John Layton Co. (Inc.).....	
	do.....	Apr. 13, 1931	do.....	Henningsen Bros. (Inc.).....	
718A	Sardines packed in oil.....	Feb. 29, 1932	Increase.....	Seacoast Canning Co.....	Do.
	Canned tuna fish.....	Apr. 29, 1932	do.....	Cohn-Hopkins (Inc.).....	Do.
	do.....	do.	do.	Westgate Sea Products Co.....	Do.
	do.....	May 13, 1932	do.	French Sardine Co. (Inc.).....	Do.
718	do.....	May 16, 1932	do.	Southern California Fish Corporation.....	Do.
	do.....	do.	do.	K. Havden Co.....	Do.
	do.....	May 23, 1932	do.	Franco-Italian Packing Co.....	Do.
	do.....	May 31, 1932	do.	Italian Food Products Co. (Inc.).....	Do.
	do.....	June 7, 1932	do.	Coast Fishing Co.....	Do.
721	Minced razor clams.....	May 12, 1932	Decrease.....	Nootka Packing Co. (Ltd.).....	Do.

1 And others.

Applications received for investigation—Continued

UNDER SECTION 336—Continued

Para- graph No.	Commodity	Date application received	Nature of request	Applicant	Status
	SCHEDULE 7.—Agricultural products and provisions—Continued				
721	Crab meat, fresh or frozen (whether or not packed in ice), or prepared or preserved in any manner, including crab paste and crab sauce.	May 25, 1932	Investigation.....	S. Res. 122.....	Investigation ordered.
719 (4)	Salt mackerel split.....	May 16, 1931	Increase.....	Davis Bros. Fisheries Co.....	Do.
	Salt mackerel filleted.....				
	do.....	do.....	do.....	Gloucester Fish Exchange.....	Do.
	do.....	May 27, 1931	do.....	Gorton-Pew Fisheries Co. (Ltd.).....	Do.
	do.....	May 28, 1931	do.....	Fishing Masters Producers Association.....	Do.
722	do.....	do.....	do.....	Gloucester Maritime Association.....	Do.
	do.....	do.....	do.....	Gloucester Chamber of Commerce.....	Do.
	Barley malt.....	Nov. 8, 1930	do.....	Cereal Products Co. and 14 other firms interested in barley malt.	Investigation ordered.
737	Cherries, sulphured or in brine.....	July 17, 1930	Investigation.....	Senate Resolution 324.....	Investigation completed. Commission's report returned by President without approval. New investigation ordered. Investigation ordered.
	do.....	Aug. 9, 1930	Decrease.....	The Liberty Cherry & Fruit Co.....	
737(4)	Cherries, drained and candied (See also candied fruit.)	Dec. 29, 1930	do.....	President de la Chambre Syndicale.....	
739	Orange, grapefruit, lemon, and other fruit peel, crude, dried, or in brine; candied, crystallized, or glazed, or otherwise prepared or preserved; citrons or citron peel, candied, crystallized, or glazed, or otherwise prepared or preserved.	Dec. 10, 1931	do.....	Establishments Vincentelli.....	Pending.
743	Grapefruit.....	Aug. 9, 1930	do.....	Hutcheson & Co. (Inc.).....	Dismissed without prejudice.
743	Lemons.....	Mar. 12, 1931	do.....	Lemon Import Committee, New York Fruit Exchange.....	Pending.
743	Green limes.....	May 11, 1931	do.....	Arthur Schwartz Corporation.....	Dismissed without prejudice.
747	Pineapples, fresh.....	Aug. 9, 1930	do.....	Hutcheson & Co. (Inc.).....	Investigation completed (see Table IV). Do. Do.
	do.....	Sept. 20, 1930	do.....	Arthur Serra & Co.....	
	do.....	Jan. 8, 1931	Investigation.....	Senate Resolution 397.....	
752	Fruit, candied (See also Cherries, drained and candied.)	Dec. 29, 1930	Decrease.....	President de la Chambre Syndicate.....	Investigation ordered.
753	Cut flowers.....	Sept. 5, 1930	Increase.....	F. Rynveld & Sons.....	Dismissed without prejudice. Do.
	do.....	Dec. 29, 1930	do.....	Long Island Bulb Growers Association.....	
753	Tulip bulbs.....	July 17, 1930	do.....	Chapin Bulb Farm.....	Do.
762	Flaxseed.....	July 7, 1930	Decrease.....	Asociacion National De Agricultura.....	Investigation ordered.
762	Soybeans.....	Sept. 25, 1930	do.....	Amerone Products Co.....	Dismissed without prejudice.

763	Alsike clover seed	Nov. 30, 1931	do	Farm Seed Group, American Seed Trade Association.	Pending.
765	Green snap beans	Mar. 16, 1931	do	G. W. Staples	Investigation completed (see Table IV).
765	Lima beans, green or unripe	Aug. 9, 1930	do	Hutcheson & Co. (Inc.)	Do.
765	Beans, dried	Jan. 22, 1931	Investigation	Senate Resolution 411	Investigation ordered; dismissed by Senate Resolution.
768	Mushrooms, fresh, prepared, or preserved	Dec. 29, 1930	Decrease	Henri Lagarde	Pending.
	Mushrooms, preserved in tins	May 19, 1931	do	Syndicat des Fabricants de Conserve de Champignons de France.	Do.
769	Peas, green or unripe	Jan. 24, 1931	Investigation	Senate Resolution 414	Investigation completed (see Table IV).
772	Tomatoes, fresh	June 23, 1930	Decrease	West Coast Vegetable Association	Do.
	Tomatoes in their natural state	Jan. 24, 1931	Investigation	Senate Resolution 414	Do.
772	Tomatoes, canned	July 17, 1930	do	Senate Resolution 324	Investigation completed. Commission's report returned by President without approval. New investigation ordered.
772	Tomato paste	do	do	do	Investigation completed (see Table IV).
774	Cucumbers in their natural state	Aug. 9, 1930	Decrease	Hutcheson & Co. (Inc.)	Do.
774	Eggplant in the natural state	do	do	do	Do.
774	Okra in the natural state	do	do	do	Do.
774	Peppers, green	June 23, 1930	do	West Coast Vegetable Association	Do.
	Peppers in their natural state	Jan. 24, 1931	Investigation	Senate Resolution 414	Do.
775	Soups	June 18, 1930	Decrease	Campbell Soup Co.	Investigation ordered. Application withdrawn. Investigation dismissed.
	Endive, "French"	May 25, 1932	Increase	De Wilde Bros.	Pending.
776	Ground chicory	June 20, 1931	Decrease	Chas. J. Kulberg	Dismissed without prejudice.
777	Chocolate, sweetened and unsweetened	Dec. 20, 1930	Investigation	Senate Resolution 380	Investigation ordered. Investigation dismissed by Senate resolution.
	Coco, sweetened and unsweetened	do	do	do	Do.
777	Chocolate, sweetened, in bars or blocks weighing 10 pounds or more each.	Apr. 25, 1932	Decrease	Van Houten (Inc.)	Pending.
	Chocolate, unsweetened, in bars or blocks weighing 10 pounds or more each.			John B. Van Hensden	
	Cacao butter			Stephen L. Bartlett	
777(b)	Chocolate, sweetened, in bars or blocks weighing 10 pounds or more each.	June 11, 1931	do	Stephen L. Bartlett Co.	Do.
	Cotton having a staple of 1¼ inches or more in length.	Sept. 11, 1931	do	The Rubber Manufacturers Association (Inc.)	Do.
783	do	Oct. 12, 1931	do	The Vacuum Co.	Do.
	do	Oct. 15, 1931	do	Wiggins Terminals (Inc.)	Do.
	do	Oct. 23, 1931	do	C. S. Broggaard	Do.
	do	Nov. 27, 1931	do	Vacuum Fumigating Co. of New York (Inc.)	Do.
<i>SCHEDULE 8.—Spirits, wines, and other beverages</i>					
809(b)	Concentrated lime juice	May 11, 1931	Decrease	Arthur Schwartz Corporation	Dismissed without prejudice.
<i>SCHEDULE 9.—Cotton manufactures</i>					
909	Cotton velvets and velveteens	Feb. 12, 1931	Investigation	Senate Resolution 440	Investigation ordered.
912	Shoe lacings	July 1, 1930	do	Senate Resolution 308	Investigation ordered; dismissed by Senate resolution.

Applications received for investigation—Continued

UNDER SECTION 336—Continued

Para-graph No.	Commodity	Date application received	Nature of request	Applicant	Status
	SCHEDULE 10.—Flax, hemp, jute, and manufactures				
1001	Crin vegetal	Feb. 28, 1931	Investigation	Senate Resolution 468	Investigation completed (see Table IV).
1684 or 1722	Flax tow				
1004(a)	Spanish moss	June 25, 1930	Decrease	Mittet Line & Net Co., Haram & Wicks Line Co.	Dismissed without prejudice.
1005(3)	Hemp cords	do	do	do	Investigation completed (see Table IV).
1009(a)	Woven fabrics of flax, hemp, or ramie	Feb. 14, 1931	do	Linen Group, National Council of American Importers and Traders (Inc.).	Dismissed without prejudice.
1009(b)	Jute paddings or interlinings	do	do	do	Do.
1014	Linen huck towels	Nov. 3, 1930	Increase	Niagara Textile Co.; James Elliott P Co.; Foster Textile Co.	Pending.
1014	Towels and napkins of flax, hemp, or ramie	Feb. 20, 1931	Decrease	Linen Group, National Council of American Importers and Traders (Inc.).	Do.
	SCHEDULE 11.—Wool and manufactures of				
1101	Carpet wools	June 21, 1930	Adjustment	The Carded Woolen Manufacturers Association.	Dismissed without prejudice.
1102	Wool, clothing and combing, raw and n. s. p. f.	do	do	do	Do.
1105	Rags	do	do	do	Do.
	Shoddy				
1107	Waste	do	do	do	Do.
1108	Yarn	do	do	do	Do.
1109	Cloth	do	do	do	Do.
1114(d)	Infants' wear	July 22, 1930	Investigation	Senate Resolution 325	Investigation ordered.
1115	Clothing	June 21, 1930	Adjustment of duty.	The Carded Woolen Manufacturers Association.	Dismissed without prejudice.
1115(a)	Woolen clothing, men's and boys'	July 11, 1930	Decrease	Magnus Imports (Ltd.); Benberry (Ltd.); Ben. F. Binford; Arthur E. Hatch; Thistlecroft (Ltd.); Edgar B. Walter Organ. (Inc.).	Do.
1115(b)	do	Mar. 24, 1931	do	do	Do.
1115(b)	Wool-felt hats	July 11, 1930	Investigation	Senate Resolution 313	Investigation completed (see Table IV).
1115(b)	Wool-felt hat bodies	Apr. 21, 1932	Increase	Adamstown Hat Co. (Inc.) and 9 other hat manufacturers.	Pending.

1116	Carpets and rugs.....	June 21, 1930	Adjustment.....	The Carded Woolen Manufacturers Association.	Dismissed without prejudice. Investigation completed (see Table IV).
1117	Floor coverings.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	
1117(c)	SCHEDULE 13.— <i>Manufactures of rayon or other synthetic textile</i>				
	Filaments and yarns of rayon or other synthetic textile.	Jan. 24, 1931	Decrease.....	Naamlooze Vennootschap Hollandsche Kunstzijde Industrie.	Withdrawn.
	do.....	Nov. 19, 1931	do.....	Spinnstoffabrik Zehlendorf, Gesellschaft mit beschränkter Haftung.	Pending.
1301	do.....	Jan. 6, 1932	do.....	Fr. Kuettnner, A. G.	Do.
	do.....	Feb. 16, 1932	do.....	Italrayon, Società Anonima Italiana.	Do.
	(See sch. 15 for rayon nets.)				
	SCHEDULE 14.— <i>Papers and books</i>				
1402	Pulpboard in rolls for use in the manufacture of wall board.	June 26, 1930	Decrease.....	Certain-teed Products Corp.....	Withdrawn.
1413	Crêpe and tissue-paper hats and novelties.....	Apr. 15, 1931	Increase.....	The A. A. Faxon Co.....	Dismissed without prejudice.
1413	Ribbon flycatchers.....	Aug. 8, 1931	do.....	The Tanglefoot Co.....	Pending.
	SCHEDULE 15.— <i>Sundries</i>				
1504(b)	Straw hats sewed.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	Investigation completed (see Table IV).
	Straw hats manufactured by machine.....	Oct. 17, 1930	Increase.....	Amform (Inc.).....	Dismissed without prejudice.
1506	Bamboo-handle toothbrushes.....	June 30, 1930	Decrease.....	Takamine Corporation.....	Withdrawn.
1511	Cork insulation.....	Mar. 21, 1931	do.....	Luss-Stevenson Co.; Wicander & Co. (Inc.).....	Dismissed without prejudice.
1516	Matras, friction or lucifer, of all descriptions.	July 22, 1930	Investigation.....	Senate Resolution 325.....	Investigation ordered. Investigation dismissed by Senate resolution.
1518	Artificial flowers.....	Jan. 28, 1931	Increase.....	R. E. Gebhardt Co.....	Withdrawn.
	Man's silk and opera hats.....	Sept. 10, 1930	Decrease.....	Brooks Bros.....	Dismissed without prejudice.
1526(b)	do.....	do.....	do.....	Watson & Le Vine (Inc.).....	Do.
	Silk or opera hats in chief value of silk.....	Dec. 29, 1930	do.....	Alan Dellon; J. Lapresly; Casse & Son.....	Do.
1527	Spring rings.....	Apr. 30, 1931	Increase.....	Wells Findings Corporation.....	Do.
	Laces.....				
1529(e)	Lace articles.....	July 2, 1930	Investigation.....	Senate Resolution 311.....	Investigation ordered. Investigation dismissed by Senate resolution.
	Lace fabrics.....				
1529	Rayon nets.....	Mar. 15, 1932	Increase.....	Van Raalte Co.....	Pending.
1530(a)	Hides.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	Investigation completed (see Table IV).
1530(b)	Calf and kip shoe leather, rough or finished, wholly or partly manufactured into forms or shapes.	Mar. 13, 1931	Increase.....	Calf Tanners' Association.....	Dismissed without prejudice.
(4)					
1530(c)	Rough-tanned walrus leather.....	Oct. 25, 1930	Decrease.....	Greene, Tweed & Co.....	Do.
1530(c)	Pigskin leather.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	Investigation completed (see Table IV).
1530(d)	do.....	July 16, 1930	Decrease.....	Ambor Leather Co.....	
1765	Pigskin.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	Disposed of in pigskin leather investigation.
1530(e)	Reptile skin leather for shoe purposes.....	do.....	do.....	do.....	Investigation ordered. Investigation dismissed by Senate Resolution.
1530(d)	Shoes.....	June 19, 1930	do.....	Senate Resolution 295.....	Investigation completed (see Table IV).
1530(e)	Boots and shoes.....	July 11, 1930	do.....	Senate Resolution 313.....	

Applications received for investigation—Continued

UNDER SECTION 336—Continued

Para- graph No.	Commodity	Date application received	Nature of request	Applicant	Status
SCHEDULE 15.—Sundries—Continued					
1530(e)	Canvas rubber-soled footwear.....	June 17, 1931	Increase.....	The Rubber Manufacturers Association (Inc.)	Dismissed without prejudice.
1532(a)	Leather gloves.....	Dec. 29, 1930	Decrease.....	Syndicate of the Gloves Manufacturers of Grenoble, Millan, Paris, Chaumont, St. Junien.	
1537(b)	Waterproof footwear.....	June 17, 1931	Increase.....	The Rubber Manufacturers Association (Inc.)	Do.
1539(b)	Laminated products in sheets.....	July 17, 1930	Investigation.....	Senate Resolution 324.....	Do.
1541 (a)	Organs.....	July 8, 1930	Decrease.....	The Rudolph Wurlitzer Co.....	Investigation ordered.
	do.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	
1545	Sponges.....	Apr. 24, 1931	Decrease.....	World Sponge Market.....	Investigation completed (see Table IV).
1547 (b)	Paintings, pastels, drawings, and sketches suitable as designs, etc.	Feb. 25, 1931	Duty based on American selling price.	Robert Schey.....	
1552	Cigarette books.....	July 22, 1930	Investigation.....	Senate Resolution 325.....	Investigation ordered. Investigation dismissed by Senate resolution.
	Cigarette-book covers.....				
	Cigarette paper.....				
	Pipes.....	July 11, 1930	do.....	Senate Resolution 313.....	
	do.....	July 12, 1930	Decrease.....	Frischer & Co. (Inc.).....	
	Pipe bowls.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	
	do.....	July 12, 1930	Decrease.....	Frischer & Co. (Inc.).....	Investigation completed (see Table IV).
1552	Smokers' articles.....	July 11, 1930	Investigation.....	Senate Resolution 313.....	
	do.....	July 12, 1930	Decrease.....	Frischer & Co. (Inc.).....	
	Cigarette holders.....				
	Clay pipes.....				
	Clay pipe bowls.....	Nov. 4, 1930	do.....	American Clay Pipe Works (Inc.).....	Dismissed without prejudice.
	Clay smokers' articles.....				
1554	Parasols.....	July 2, 1930	Investigation.....	Senate Resolution 312.....	
	Umbrellas.....	July 1, 1930	do.....	Senate Resolution 309.....	Investigation ordered.
	do.....	July 2, 1930	do.....	Senate Resolution 312.....	
	Umbrella handles.....				

UNDER SECTION 337

372	Yarn-guiding apron and/or thread and yarn guides carrying the said yarn-guiding apron.	Aug. 12, 1930	Relief under sec. 337.	Friedrich Alz.....	Dismissed without prejudice.
401	Lumber and timber imported from Russia.....	May 29, 1931	do.....	National Lumber Manufacturers Association.	Do.
1506	Toothbrushes.....	Apr. 4, 1932	do.....	Muller, Phipps Nicol, Hawaii (Ltd.).....	Do.
1616	Crude asbestos.....	Dec. 9, 1930	do.....	Baer Canyon Asbestos Co.; Royal Asbestos Mines (Inc.).	Investigation ordered.
1733	Petroleum and refined petroleum products.....	Nov. 25, 1931	do.....	Thurman Hill and Russell B. Brown.....	Dismissed without prejudice.

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Senator COSTIGAN. I wish to ask you about several investigations. I see listed here among those being pursued, presumably by able experts of the Tariff Commission's staff, an investigation of sponges. What kind of sponges are you investigating?

Commissioner BROSSARD. I think the whole sponge paragraph is included.

Senator COSTIGAN. Ocean sponges?

Commissioner BROSSARD. Yes.

The CHAIRMAN. Florida sponges.

Commissioner BROSSARD. Florida sponges as compared with Cuban sponges.

Senator COSTIGAN. Your investigation includes the cost of production of sponges grown in the sea and brought ashore?

Commissioner BROSSARD. Yes; it of course includes taking the sponges from the water and preparing them and putting them upon the market.

Senator COSTIGAN. Another investigation involves upholsterers' nails. What is the nature of the upholsterer's nail?

Commissioner BROSSARD. There is quite an industry in the United States, of a million or so dollars a year, making nails such as are in your chairs. There are some on the back of that chair for example [indicating].

Senator COSTIGAN. The commission is investigating upholsterers' nails—not nails, but just a limited variety of nails, did you say?

Commissioner BROSSARD. There has been a number of applications for such an investigation, and of course the commission found in a preliminary survey that such investigation was warranted. We have never felt as a commission that because an industry was a small industry that we ought to discriminate against it. We may be wrong about that.

Senator COSTIGAN. My real question is whether you preferred such an investigation.

Commissioner BROSSARD. No; it so happens that the applications covered such items.

Mr. MORGAN. I would say, if I may, that the titles given in that memorandum are abbreviated for office use, and that the full title of the investigation is "Upholsterers' nails, chair glides, thumb tacks." It is the whole industry.

Senator COSTIGAN. Do you regard an investigation of that sort as equal in importance, from the viewpoint of the Tariff Commission and the country, to an investigation of cutlery or some of the major investigations?

Commissioner BROSSARD. No; I do not.

Senator COSTIGAN. I see you have an investigation of folding rules. What are they?

Commissioner BROSSARD. They are the ordinary carpenters' rules and mechanics' rules. There are several big manufacturers of those rules in the United States.

Senator COSTIGAN. What is a folding rule?

Mr. MORGAN. A carpenters' rule which folds up; and also the zigzag type that runs out 6 or 8 feet, which masons and other artisans use.

Senator COSTIGAN. What experts are working on that investigation?

Commissioner BROSSARD. Mr. Leonard, of the metals division, because it involves aluminum and wooden folding rules; and Franklin

Smith, of the lumber division, is cooperating because of the fact that wooden rules are included.

Senator COSTIGAN. Presumably Mr. Leonard is working on the investigation involving upholsterers' nails also?

Commissioner BROSSARD. Yes, sir. These were ordered on their recommendation, as a matter of fact.

Senator COSTIGAN. You would regard those, however, as relatively unimportant inquiries, would you not?

Commissioner BROSSARD. No; I would not like to say relatively unimportant. I think it is just as important from the point of view of the Tariff Commission to adjust these duties as to smaller industries as to adjust those of the large industries. I would not want to characterize it as unimportant.

Senator KING. Do you send experts abroad to various countries, for instance, on this matter of rules, paying their traveling expenses, and so forth, to make an investigation?

Commissioner BROSSARD. No. We do not anticipate sending anybody abroad to make those investigations.

Senator COSTIGAN. You do keep a foreign office which makes inquiries with respect to all these articles?

Commissioner BROSSARD. Yes, sir.

Senator COSTIGAN. Who is in charge of that office?

Commissioner BROSSARD. John F. Bethune.

Senator COSTIGAN. The former secretary of the Tariff Commission?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. Are there other experts abroad?

Commissioner BROSSARD. Four at the present time.

Senator COSTIGAN. Where are their headquarters?

Commissioner BROSSARD. They are in Brussels.

Senator COSTIGAN. What do these experts under Mr. Bethune do?

Commissioner BROSSARD. They are all accountants. Mr. Louis S. Ballif, whom you know very well, is at the head of the accountants.

Senator COSTIGAN. They remain in Brussels, do they?

Commissioner BROSSARD. They go all over Europe, and they have been very successful. We have obtained splendid cooperation from Europe ever since the passage of the tariff act of 1930. In nearly every case we have been able to take the data right from the foreigners' records.

Senator COSTIGAN. Are they inquiring about such subjects as we have just mentioned, such as rules and upholsterers' nails?

Commissioner BROSSARD. As I remember it—well, I do not know that I ought to put it into the record. You are asking about something that we may not do at all.

Senator COSTIGAN. I do not see anything confidential about it. There is no trade secret involved, is there?

Commissioner BROSSARD. No.

Mr. MORGAN. As to upholsterers' nails the foreign office is getting information.

Senator SHORTRIDGE. You are making an investigation and trying to get at the facts?

Commissioner BROSSARD. Yes, of course. If there was any real necessity for obtaining data abroad we would do it.

Senator COSTIGAN. Are you inquiring abroad about sponges?

Commissioner BROSSARD. I think our people went to Cuba on that. They were down in Florida, which is practically the same area.

Senator COSTIGAN. I find here an investigation of sperm oil.

Commissioner BROSSARD. Yes, and spermaceti wax, together.

Senator COSTIGAN. Is spermaceti oil a limited variety, commercially speaking, of whale oil?

Commissioner BROSSARD. Yes. It comes from the sperm whale.

Senator COSTIGAN. You are not investigating whale oil costs of production, but merely sperm oil?

Commissioner BROSSARD. Just the sperm-whale oil.

Senator COSTIGAN. What is that oil used for? My understanding is that it is used in part drop by drop on watches and fine machinery?

Commissioner BROSSARD. Yes, sir, machine oil.

Senator COSTIGAN. Therefore you are investigating a subject of slight use, commercially speaking?

Commissioner BROSSARD. There is quite an industry that has developed. It has been declining in the United States.

The CHAIRMAN. I think a great deal of it is used in leather, also, and I think that that is the great bulk of the use of sperm oil in the United States.

Commissioner BROSSARD. Some of it is used as engine oil.

The CHAIRMAN. It is used for certain fine bearings, also, in engines. We used to buy it for that purpose.

Senator COSTIGAN. How much of the commission's time, as nearly as you can state, has been devoted to these relatively minor investigations within the last year, if you know?

Commissioner BROSSARD. I would say relatively a small part, a very small part of the total. I think we figure on about one man or two men for two weeks on this upholsterers' nail investigation.

Senator COSTIGAN. Congress in 1930, under section 340 of the Tariff Law, called for an investigation of domestic values with a view to conversion of rates. It is my understanding that you, Doctor Brossard, and you, Mr. Morgan, have both been actively connected with that investigation?

Commissioner BROSSARD. Yes. Mr. Thomas Walker Page and I were appointed by the chairman as a subcommittee on that investigation, and naturally Mr. Morgan, being the executive, has had considerable to do with the investigation because it involved the employment of considerable personnel.

Senator COSTIGAN. As a matter of fact, you went to New York, Mr. Morgan, and stayed there for a considerable time in connection with the investigation, did you not?

Mr. MORGAN. No, I went—

Senator COSTIGAN. Am I in error about that?

Mr. MORGAN. I went and stayed for a few days, on three or four different occasions.

Senator COSTIGAN. Oh. I was under the impression that you were there several months.

Mr. MORGAN. Oh, no.

Senator COSTIGAN. Then I am mistaken about that.

Reports have come to me—I do not know how accurate they are—that this investigation has been unduly costly; that it has been accompanied by substantial extravagance and that there have been some

unfortunate features of the investigation, particularly with respect to the payment of per diems in New York over extended periods of time to regular employees of the commission, a practice not generally approved of by the Comptroller General. Also that certain employees of the commission were required to pay substantial amounts in order to obtain positions with the Tariff Commission. Do you know whether those statements are true or false?

Commissioner BROSSARD. I know they are false, as far as I am concerned.

Mr. MORGAN. Absolutely. May I say for the enlightenment of the committee that the commission sent members of its regular staff to and from New York to direct the work of people who had been engaged temporarily in New York, and there has been a good deal of travel back and forth, naturally, on the part of our regular personnel and they have been paid per diems while they were out of the city.

Senator COSTIGAN. Why has that been necessary?

Mr. MORGAN. We were faced with the need either of hiring experts in New York and training them in the ways of the Tariff Commission for the conduct of this examination, or of utilizing our regular staff as they became available. We also were faced with a rather long list of investigations confronting the commission after Congress adjourned in 1930, plus those that had come in from the public, and we felt that we should keep our force in fairly flexible condition so that they might be diverted from one job to another as the emergencies of the occasion seemed to require.

Senator COSTIGAN. Has the Comptroller General ever ruled upon the length of time during which a per diem should be paid to an employee of the Government whose residence is here while that employee is at some distant point?

The CHAIRMAN. That is provided for by law.

Senator COSTIGAN. What is your understanding of the law, Mr. Chairman?

The CHAIRMAN. The law provides so much per diem for actual expenses—

Senator COSTIGAN. I am familiar with the statute to which you call attention, Mr. Chairman, but my question is directed to another objective.

It is my understanding that the Comptroller General does not approve the payment of per diems in addition to regular salaries of Government employees, provided the Government employee remains at a distance for continuous service.

The CHAIRMAN. Say that he lived outside of the District and came into the District?

Senator COSTIGAN. No; if the employee is sent to service in another State and remains there for a number of months, it has been my understanding that the Comptroller General does not regard it as good practice under the law to pay the employee a salary at home and the per diem in the foreign field.

Senator KING. He should not be paid any per diem at all. He should be paid his expenses and that is all. I think that is highly improper.

The CHAIRMAN. We used to allow as high as \$9.

Senator COSTIGAN. That is, a per diem for a man who is traveling?

Senator KING. I meant for wages.

The CHAIRMAN. We do it now to the extent of four or five dollars.

Senator KING. Those are expenses, Senator. I am speaking about a per diem for expenses and wages.

Commissioner BROSSARD. The only per diem ever paid is to cover expenses.

Senator HARRISON. What Senator Costigan has in mind, I think, is that probably this thing is costing too much in sending them up there, and that if there is any way to economize it ought to be done.

Senator COSTIGAN. And that the practice has not been approved by the Comptroller General. Is that true or otherwise?

Mr. MORGAN. None of our vouchers or practices have been questioned by the Comptroller General in the administration of our office, Senator Costigan.

Senator COSTIGAN. Because, on the face of the papers, the employee presumably has been called back to Washington and has not absented himself long enough to meet the disapproval of the Comptroller General. Was that the reason why the employees of the Tariff Commission were frequently shuffled back and forth from here to New York?

Mr. MORGAN. No, sir. In the case of many of them, these experts had been sent up there, then had to be completely detached from the valuation investigation and put on other work; then returned to New York on the valuation study.

Senator COSTIGAN. I trust that the committee understands that a substantial part of the staff of the commission was moved to New York and worked on this investigation. Other portions of the staff remained in Washington. Part of the staff which went to New York frequently returned here and then returned again to New York at the expense of the Government. I am wondering whether an economical practice has been followed and one which should be continued, in the face of possible disapproval by the Comptroller General, or whether the commission should have pursued the normal course of saving the Government this expense of moving the staff back and forth.

The CHAIRMAN. The question arose in the case of an appropriation some years ago. There were employees here in the Treasury Department, we will say, or in any other department, and they were assigned to Alabama. Sometimes they were required to travel, and the question arose as to whether the law covered it or not. That was some years ago. They have been allowed actual expenses when assigned by the department in another section of the country, and when they are required to go some place else from their headquarters they have been paid their per diem. I can see, Senator, what your point is. In other words, they lived there in the District and they were sent up to New York, and of course they wanted to come down home perhaps at some time, and in those cases you think they have been paid when they should not have been paid.

Senator KING. Let us get the facts from the witness.

Senator COSTIGAN. Yes. Mr. Morgan has been good enough to supply me with something in the nature of a report of the number of employees.

Senator KING. What Senator Costigan wants to do is to work some economies. I never thought that provision should be in the law.

The CHAIRMAN. Mr. Stewart has telephoned Mr. Woodside and has some information with regard to it.

Mr. STEWART. Where sent on strictly temporary duty for a particular job and where it is not a transfer of their station, they are entitled to a per diem. I asked whether there was any particular length of time, and he said no, that it varied in each case. An employee may be two or three or four months on that particular job, and he gave me a specific instance.

Senator HARRISON. Of course the commission feels that it is absolutely necessary to move some of its people up there. It is impossible for them to do the work from here.

Commissioner BROSSARD. They can not do it here. They have to meet the importers who are located in New York.

Senator HARRISON. What percentage of the work is finished on that investigation?

Commissioner BROSSARD. We expect to make our report as of July 1 and have it printed and on your desks.

Senator COSTIGAN. Under the law you are required to make a report by July 1?

Commissioner BROSSARD. Yes.

Senator COSTIGAN. Many of the employees of the commission apparently were first located in New York and thereafter they returned to Washington and then returned to New York—

The CHAIRMAN. That was a temporary employment.

Senator COSTIGAN. The report that I have indicates that the movement back and forth at the expense of the Government was designed to prevent the rule about temporary detachment with a per diem from applying adversely to their compensation.

Senator SHORTRIDGE. A given man is employed by the commission and he receives a given salary; is that right?

Commissioner BROSSARD. Yes; with his headquarters in Washington, D. C.

Senator SHORTRIDGE. You thought it wise or necessary to send them to New York. Such an employee gets no additional salary, but he gets his expenses paid?

Senator COSTIGAN. His salary and the per diem.

Senator SHORTRIDGE. That is misleading.

Commissioner BROSSARD. The per diem covers expenses, presumably.

Senator SHORTRIDGE. But no increase of the normal salary?

Commissioner BROSSARD. None.

Senator SHORTRIDGE. That is all there is to it.

Senator KING. What per diem do you allow?

Commissioner BROSSARD. We used to follow the Department of Commerce, and when the Department of Commerce was allowing \$6 we allowed \$6, and when they cut it to \$5 we cut it to \$5.

Mr. MORGAN. We were the first ones to cut our per diem from \$6 to \$5.

The CHAIRMAN. It used to be \$7 to \$9, and then we cut it down to \$6 and \$8. Now it is cut down to \$4.

Commissioner BROSSARD. What is our per diem now?

Mr. MORGAN. \$5.

Senator SHORTRIDGE. For food and lodging?

Mr. MORGAN. Yes.

Senator KING. It does not include traveling expenses?

Commissioner BROSSARD. The railroad fare is in addition to that.

Senator KING. How many persons have you sent to New York in connection with this investigation?

Mr. MORGAN. We started the investigation with a group of, say eight of our own men in February.

Senator KING. You have a lot of men up there, have you, stationed there?

Mr. MORGAN. Eight men of our own staff were sent up there to get the thing organized. As the months went by and the work developed we sent additional experts and some few accountants from the staff, up there, so that I think the maximum of regular employees of the Tariff Commission that we had on duty at any one time was 25 or 30.

Senator COSTIGAN. And in addition to those you employed a number of people in New York?

Mr. MORGAN. In addition to those, we employed men of the certified public accountant type in New York, men who were familiar with other people's business and books.

Senator COSTIGAN. How much did you pay them?

Mr. MORGAN. We were a little embarrassed about that, in this way, that we called them tabulators and paid them \$1,800 to \$2,100 or \$2,400.

Senator KING. A year?

Mr. MORGAN. Yes, sir. Some of those men had received \$10,000, \$12,000, and one of them as much as \$30,000 a year on other jobs.

Senator COSTIGAN. They were secured because of the unusual conditions of unemployment?

Mr. MORGAN. Yes, sir; largely.

Senator KING. Did you pay them for a whole year when they were employed only for a month or a few days?

Mr. MORGAN. Oh, no. Only at that rate. I think the average would be around \$2,100 a year.

Commissioner BROSSARD. They tell me that we have really one of the best working offices in New York for the money paid, that anybody has ever seen assembled any place. The importers themselves whose books they have been going over have so stated. There was a statement in the last issue of the Importers Weekly Letter in which attention was called to the courtesy and gentlemanly treatment given by our men and the careful way that those men had obtained the information. While we attempted to employ tabulators, the people who came were actually high class, thoroughly trained accountants. Some of them had been administrators and executives of big businesses and had their homes there some place in New York and were willing to work for that amount of money.

Senator COSTIGAN. How long has the investigation been in progress?

Mr. MORGAN. Since February, 1931.

Senator COSTIGAN. How much has it cost?

Mr. MORGAN. In round figures, \$260,000.

Senator KING. And not yet finished.

Senator SHORTRIDGE. How can that be avoided? If you want the information, how can they avoid its costing money?

Commissioner BROSSARD. It involves the getting of information for something like 12,000 or 13,000 articles from the books of between

2,000 and 3,000 importers. One should visualize the job of going to those books and taking off these data for this investigation.

Senator COSTIGAN. Lest an earlier statement of mine be misunderstood, I trust that the committee will let me develop who applied for that work. A former employee of the Tariff Commission has stated to me that during the effort to fill you staff in New York City, you applied to some employment exchange. What was that? What was its proper name?

Mr. MORGAN. The United States Employment Service, under the Department of Labor.

Senator COSTIGAN. Through which you obtained.

Mr. MORGAN. About 30 men.

Senator COSTIGAN. Do you know whether those employees were obliged to pay to the United States Employment Service, if that be the one—the name which I have is different, the National Employment Exchange—

Mr. MORGAN. We had no dealings with any National Employment Exchange.

Senator COSTIGAN. You had no dealings whatsoever with the National Employment Exchange?

Mr. MORGAN. No, sir; the name is totally unfamiliar to me. You understand, Senator, that the United States Employment Service is a Government institution.

Senator COSTIGAN. Yes; my understanding is that you ultimately procured employees through the Department of Labor after a protest had been made against your method of selecting employees by one Member of Congress—of the House of Representatives; that prior to that time, whether with or without your knowledge, employees were sent to the Tariff Commission through what was known as the National Employment Exchange, and that employees so procured were charged by that exchange from \$150 to \$200 each in order to get those positions. Do you know whether or not there is any truth in that charge?

Mr. MORGAN. The facts are new to me, if they be facts. I do not know anything about that situation.

Senator COSTIGAN. Where were the earlier employees procured?

Commissioner BROSSARD. May I answer this question for myself?

Senator COSTIGAN. Surely, Doctor.

Commissioner BROSSARD. So far as the commission and as far as I know, the commission has had no dealings with and such exchange or any such employment agency; and if there is such a situation as the Senator relates, it has been absolutely without our knowledge or even without any information to that effect.

Mr. MORGAN. You wanted to know how we got our men?

Senator COSTIGAN. Who was in charge of the New York office when you first started the investigation?

Mr. MORGAN. The chief investigator, Mr. Comer, was in temporary charge there. As I said earlier, the men we wanted for the examination of the books of importers were men of the public-accountant type, certified public accountants or their assistants. I believe Mr. Comer made some contacts with leading firms of certified public accountants in New York to let them know that available men of ample qualifications were desired, and suggesting that they apply in person for an interview. Of course, the word became general knowl-

edge in New York that the Tariff Commission was going to make this investigation, inasmuch as we had had a large body of representative importers down here to discuss the plan of operations and to enlist their support. So they knew that we were about to set up an organization. We notified by mail the applicants who disclosed some accounting experience of the type we wanted, and we received personal applications of a great many individuals. Our office in New York was somewhat embarrassed by the influx of people who came in there and said, "I would like to apply." They were told, "All right. Fill out one of our regular application forms and we will see what can be done about it." They were examined by the staff, Mr. Comer and myself and others, to see whether we thought these men met the requirements and, if so, such an applicant was notified to appear in person for an examination at our hands, the commissioners present, and if he passed this scrutiny and his background seemed proper, we discussed the matter of employment with him and the matter of salary. Of course, there was a slow dissemination of the information that we were taking on people, and it is entirely possible that employment agencies might have grasped that as one of their opportunities.

I may say that the local papers, particularly the importers' trade journals, carried information that the Tariff Commission was about to start this investigation, and that is all that was needed to notify the public that here was an opportunity for employment.

Senator COSTIGAN. You have now described the first stages of your investigation. When did you turn to the United States Employment Service of the Department of Labor?

Mr. MORGAN. We received a letter from Congressman LaGuardia pointing out to us that we were not using the United States Employment Agency, which at that time I did not know had been established in New York. I knew it was under reorganization. I had had some telephone conversations with the headquarters here in Washington, although not along those lines. They had been calling me up on other matters. But Congressman LaGuardia having called our attention to the fact that this agency existed up there, we went immediately and visited them and found they were just getting organized and enlisted their service almost from the beginning of their active operation in New York, as I thought.

Senator COSTIGAN. Have you a copy of Congressman LaGuardia's letter?

Mr. MORGAN. We have it in our files.

Senator COSTIGAN. Will you furnish it to the committee?

Senator SHORTRIDGE. What do you want that for?

Senator COSTIGAN. I want to look at it. I do not know anything about it, but these charges strike me as having certain grave aspects. I have never talked to Congressman LaGuardia about it and I have not seen the letter, and I want to know the basis of his complaint, if it was a complaint. I request an opportunity to see a copy of that letter.

Commissioner BROSSARD. The letter of Congressman LaGuardia came to the Tariff Commission and there were certain charges in the letter which the commission thought were quite unfounded and consequently we did not pay much attention to it. As soon as we got the letter and learned that they were now set up in New York and ready

to help in employing people, we turned to that Government agency to get employees.

Senator HARRISON. Then what you finally did was satisfactory to Congressman LaGuardia?

Commissioner BROSSARD. Yes. As I remember his letter, he made certain charges in that letter that we had not been advised about at all. We did not even know of the organization existing up there. It was a new organization just set up; but as soon as it was ready to do business we went to that organization.

Senator COSTIGAN. In other words, you regarded the charge in that letter as an unfair charge?

Commissioner BROSSARD. I would not want to say just what it is. I would like to see the letter now. I am speaking from memory about a thing that happened a year and a half ago, without having looked it up. He charged, as I remember, that we had willfully avoided using this agency, or something like that. Of course, we did not do anything of the kind.

Senator SHORTRIDGE. This other agency?

Commissioner BROSSARD. This Government agency. We were not aware as a commission of the situation at all. The administrative unit in New York and the administrative body of the Tariff Commission usually takes care of those personnel matters, anyway; and they had not been advised about it, either.

Senator KING. Had any considerable number been employed prior to your obtaining employees through the instrumentality of the Government?

Commissioner BROSSARD. There had been some.

Mr. MORGAN. I think probably one-fifth the force up to that time; 23 accountants engaged up to May 25, 1931, about half of them through interview in Washington.

Senator KING. Had been employed?

Mr. MORGAN. Yes.

Senator KING. So that part of the force, one-third or a half, may have come to you through this exchange organization to which the Senator has referred?

Mr. MORGAN. Yes; it is a possibility, as Senator Costigan points out.

Senator KING. And it is possible that some of those who did come had been mulcted by the organization who brought them into contact with you?

Mr. MORGAN. I dare say.

Commissioner BROSSARD. We had no way of knowing who sent the people to us. We took the people as they came and filed their applications. Most of them came with recommendations from such big accounting firms as Price, Waterhouse & Co.

Mr. MORGAN. And Lybrand, Ross Bros., and Montgomery, well-known general accounting firms.

Senator COSTIGAN. It appears that a substantial number of these employees drew a per diem for approximately one year. Is that your understanding of what happened?

Mr. MORGAN. Members of our regular staff from Washington were paid their expenses in New York for such parts of the total period as they were in New York; but those men who are carried between those dates made many trips elsewhere. Some of them went to

Boston, some to Buffalo. Most of them received instructions at Washington at intervals of a month or two.

Commissioner BROSSARD. And a good many of them in addition also did other work in New York than valuation work. They were up there on investigations under section 336. They consequently gathered additional information while there. They were supervising their forces in New York. Many of those men are chiefs of divisions, and they had a separate force in New York on valuation, and now and then it became necessary for them to go to New York to check up the men and see how they were getting on with this valuation work. They usually combined such a trip as that with any work they might have in New York on another investigation. They were paid a per diem for expenses up there so they could get all the information at one time.

Senator KING. Have you a separate item there showing the per diem costs of this investigation?

Mr. MORGAN. No, sir; not here.

Senator KING. I mean, per diem and railroad fare?

Mr. MORGAN. No, sir. We do not have that here. We can get it.

Senator COSTIGAN. Roughly, it would appear from the report that Mr. Morgan furnished me that the per diem expense was approximately \$75,000, according to a hasty calculation of mine.

• Mr. MORGAN. That sounds correct, Senator Costigan.

Senator COSTIGAN. It may not be entirely correct, but that seems to you to be a fair estimate?

Mr. MORGAN. Is that a figure that I gave you?

Senator COSTIGAN. No. You did not give it to me. It is a calculation of my own, made from a hasty examination of this report which you furnished me a day or two ago.

Mr. MORGAN. My impression is that the figure is nearer \$50,000 in actual per diems paid to the people in New York.

Senator KING. And the railroad expenses are in addition to that?

Mr. MORGAN. Yes, sir.

Senator SHORTRIDGE. Over what period?

Mr. MORGAN. Do you want me to answer now, Senator?

Senator SHORTRIDGE. Yes; just approximately.

Mr. MORGAN. About a year and four months.

Senator HARRISON. I wanted to ask Commissioner Brossard, if it is not interrupting your questioning, Senator Costigan, a question or two. When he first started out I did not catch just the significance of all of his answers. You asked him about his brother selling some stocks up in the Tariff Commission office.

Senator COSTIGAN. That was a report made to me, Senator Harrison, voluntarily made by a former member of the staff.

Senator HARRISON. Does your brother work with the Tariff Commission?

Commissioner BROSSARD. No, sir.

Senator HARRISON. He just happened to be up there?

Commissioner BROSSARD. Just came up there.

Senator HARRISON. What is his business?

Commissioner BROSSARD. He is engaged in the bond business.

Senator HARRISON. You say you knew nothing about it?

Commissioner BROSSARD. Absolutely nothing about his having come to the Tariff Commission. Furthermore, I would be greatly

surprised if he came there during the day and talked business with anyone.

Senator HARRISON. Did I understand you to say you told him to stay away?

Commissioner BROSSARD. I told him to stay away, and he agreed that he would not go there.

Senator COSTIGAN. Why did you tell him that?

Commissioner BROSSARD. Because I did not want him around there during working hours.

Senator COSTIGAN. Had he been there?

Commissioner BROSSARD. No; he had not. I just knew that employees should not be interfered with, although I know that they have been by insurance people and other people, in spite of our efforts to try to keep them out. They do get down there.

Senator COSTIGAN. Had he spoken of going to the Tariff Commission and selling contracts?

Commissioner BROSSARD. No. What happened, as I remember it, was this. One of the persons called him on the telephone and asked him if he would come to the Tariff Commission and see him at his office, and my brother came and asked me about it, and I said, "I would much prefer that you did not come around the Tariff Commission during working hours. You may make your appointments with those people after working hours, but they should not be interfered with during working hours." He agreed to do that, and so far as I know he has kept the agreement.

Senator HARRISON. You thought it might subject you to criticism?

Commissioner BROSSARD. Yes; and I knew it was improper, anyway, under our rules.

Senator COSTIGAN. Do you know whether he sold any stock to any of them?

Commissioner BROSSARD. I do not know, Senator. His business is his own.

Senator COSTIGAN. You did not inquire?

Commissioner BROSSARD. No. I do not know anything about it. He may have sold some. I think he did sell some, but I have no idea how much.

Senator COSTIGAN. How much of the appropriation of the commission is being absorbed in investigations and how much is in your regular overhead?

Mr. MORGAN. I should say, Senator, that we have no elaborate cost accounting records in our finance division. That is composed of three or four clerks who handle all the financial matters. I can not answer the question of the difference between overhead and investigations. Practically, I suppose, nine-tenths of the appropriation goes for the payment of salaries and expenses directly connected with investigations.

Senator COSTIGAN. What is your total appropriation?

Mr. MORGAN. For this year we asked for \$1,150,000.

Senator COSTIGAN. What did you have last year?

Mr. MORGAN. The figure was somewhat larger, about \$1,230,000, if I recall the amount correctly.

Senator COSTIGAN. Do you know what your regular staff absorb of that amount in the way of salaries?

Mr. MORGAN. In the neighborhood of \$900,000, I think.

Senator COSTIGAN. That is, if you were making no investigations at all you would have spent that much on your staff? I am endeavoring to discover what the expense of the staff would be if you were making no investigations but were keeping yourself in readiness to serve Congress and the President. Have you any way of estimating that?

Commissioner BROSSARD. That is impossible to estimate, I should think, Senator, because we have always been making investigations. There has never been a time when our regular staff has not been thoroughly occupied with investigations. We might, if we did not have to make investigations, lay off half our staff.

Senator COSTIGAN. What reason is there for an increased outlay of the Tariff Commission over the outlay, let us say, in 1927?

Commissioner BROSSARD. The increased volume of work, a tremendous increase in the requests from the Senate for investigations, almost three times what we have ever had before. I dare say we turn out about three times as much work as we ever did before.

Senator COSTIGAN. The commission started with an annual appropriation of \$300,000.

Senator SHORTRIDGE. When was that?

Senator COSTIGAN. The act creating the commission was passed in 1916.

Senator HARRISON. I think there is a perfectly good reason why it should cost a good deal in the last year and a half, because \$250,000 was expended in apparently a useless investigation.

Senator KING. I agree with you.

Mr. MORGAN. We have had at the same time to conduct the investigation of copper. We have had two investigations of petroleum; a very extensive fish survey; a lumber investigation—in fact, a long list of large, difficult and naturally expensive investigations at the order of Congress that have occupied much time, some of which we are still struggling with.

Senator COSTIGAN. Will the new sugar investigation be as costly as the old, Doctor Brossard?

Commissioner BROSSARD. I hope not, nowhere near.

Senator COSTIGAN. Are you contemplating sending accountants to Cuba, as was done before?

Commissioner BROSSARD. I think so; yes.

Mr. MORGAN. We have already had some men in Cuba who are back. I do not know whether we have covered all phases. We have hired no additional sugar experts for the sugar investigation. We have adopted that course as a measure of economy.

Senator KING. Doctor Brossard, do you regard the economic and industrial conditions here and elsewhere sufficiently stable or sufficiently approximate and datum line as that any investigation made would be productive of results upon which you might predicate any safe and sound and proper legislative or administrative course?

Commissioner BROSSARD. Yes; I think so, Senator. I think, while conditions are abnormal, we do not know how long they are going to stay this way, but we know they have been this way and how long they have been this way, and we might be able to adjust some rates of duty at the present time to meet conditions that exist now and, as provided by the law, readjust them again when conditions change. That could be done under the law.

Senator KING. I had in mind the tens of millions of dollars that have been expended in appraising the railroads. The first bill that I offered in Congress was to repeal the valuation act. It seemed to me a most unwise and improper investigation, because the valuation of the railroads back in 1911, 1912, or 1913, was not comparable with any subsequent period because the value of real estate, the value of steel, copper, engines, or anything else changed from time to time, so that any value found in 1913 or 1914 or any other subsequent period would be absolutely so unstable as not to justify you in basing rates or values upon those findings. It seems to me that with respect to costs of production it would be the same. Specifically, if you investigate the cost of wool in Utah, the cost of sheep, taking into consideration the low wages, hundreds out of employment, any value that you might find now it seems to me would be too unstable to enable you to predicate any findings with respect to cost prices.

Commissioner BROSSARD. Of course, what you say is absolutely true. Conditions are abnormal.

Senator SHORTRIDGE. In response to some question put, probably by Senator Costigan, the answer was made in respect to small industries, so-called infant industries—

Senator KING. Are there any?

Senator SHORTRIDGE. There have been in the past. They have grown to be great industries, as, for instance, tin plate.

I will put it as a leading question. Do you not regard it as necessary to make as careful an investigation in respect to a so-called small industry as in the case of a large and extensive industry?

Commissioner BROSSARD. Yes, Senator.

Senator COSTIGAN. May I say, Senator Shortridge, that I entirely concur in the implications of your question with respect to being careful.

Senator SHORTRIDGE. I have always thought that a new, small, so-called infant industry which needs protection should be investigated perhaps more carefully than a big and well-established industry.

Senator COSTIGAN. The distinction that I am endeavoring to make is that relatively unimportant investigations were pursued and other highly important investigations were not conducted at all.

You spoke of Commissioner Page as one of the gentleman in charge of the investigation. Did he ever go to New York and personally take charge?

Mr. MORGAN. I think not.

Commissioner BROSSARD. He did not. He asked that I go instead.

Senator COSTIGAN. In the case of regular employees kept at a distance for approximately a year, is it not the practice to have them live on their salaries and not pay them per diems in addition?

Mr. MORGAN. If we knew we were going to keep them there, Senator.

Senator COSTIGAN. Was that done in this investigation?

Mr. MORGAN. No, sir. We did not know, of course, how this thing would expand and ramify.

Senator COSTIGAN. If you send a man to Europe, of course, you pay his way, but he lives upon his salary in Europe; he does not draw both his salary and his per diem?

Commissioner BROSSARD. He gets his pay and per diem also while he is there if he is sent there on temporary assignment.

Senator COSTIGAN. If he is sent there to stay he does not draw both, does he?

Commissioner BROSSARD. He gets his pay.

Senator COSTIGAN. Is it a sound practice to pay man more than his salary if he is living for a prolonged period anywhere?

Commissioner BROSSARD. What we do over in Europe is the same as we do here. The headquarters to which they are assigned is at Brussels, Belgium, just as men here are assigned with headquarters in Washington, D. C. When they are on field status, away from their headquarters, of course, we pay their traveling expenses and their per diem because they have to maintain their homes at Brussels and they have to live at hotels when they are away.

Senator COSTIGAN. When they are traveling of course you pay per diems. When in Europe over an extensive period they work for their salaries without an additional per diem?

Commissioner BROSSARD. That has been done with the exception of men whom we had to have back here at Washington for a good part of the time. There have been some men who have gone up there and back, but they have had to be in Washington for certain other work.

Senator SHORTRIDGE. I assume that you want to carry on the work of the commission efficiently and at the least possible expense?

Commissioner BROSSARD. Absolutely; and we have done everything in our power to do it that way.

Senator SHORTRIDGE. Do you, as a matter of fact, bear that in mind?

Commissioner BROSSARD. Yes.

Senator SHORTRIDGE. Namely, that you want to carry on the work efficiently under the law and at the least possible expense to the Government?

Commissioner BROSSARD. Yes, sir, by all means; and the commission has been unanimous in all its decisions with respect to its employees up there.

Senator SHORTRIDGE. You appreciate the conditions; you appreciate the cost of government and the growing and increasing cost of the commission due to reasons assigned?

Commissioner BROSSARD. Yes, sir. It is our desire, and we attempt to carry it out wherever at all possible without affecting adversely the efficiency of the work of the commission and the expeditious carrying to completion of the assignment, to be just as economical as it is possible to be.

Senator SHORTRIDGE. As Senator Costigan has developed, the work of the commission has vestly increased since its creation, and that is due to reasons that have been assigned?

Commissioner BROSSARD. Yes, sir.

Senator SHORTRIDGE. And it is hoped, of course, that you will hold down the cost of the commission just as low as is possible.

Commissioner BROSSARD. It is our aim to do that and we expect to do it.

Mr. MORGAN. Several regular employees were sent to New York and stationed there without per diems, Senator.

Commissioner BROSSARD. That was done in all cases where it could be done reasonably?

Mr. MORGAN. Yes, sir.

Senator COSTIGAN. Was that done in all cases where it could be done?

Mr. MORGAN. When we knew in advance that those men would be there for long periods without the necessity of returning to Washington.

Senator COSTIGAN. Who were the people who were sent there in that fashion?

Mr. MORGAN. The men of the regular staff who were sent to New York and kept there without per diems were Messrs. Pouncey, Wall, Conrad, Stapleton. Those are the ones that I recall offhand.

May I say further, as an evidence of our desire to keep expenses down, that the Tariff Commission was the first Government organization to reduce its per diem allowance in the field from \$6 to \$5. That preceded a request of the Budget Bureau for consideration of such action. They made a general order or general request, whatever they issue—a memorandum of some sort.

Senator KING. Are your salaries reasonable? I am told—and I know nothing about it—that you have paid rather high salaries and that some to whom these high salaries are being paid are getting more than they ever got in private life or ever could earn.

Mr. MORGAN. Are you referring to our permanent staff?

Senator KING. Yes.

Mr. MORGAN. I have no means of knowing whether they compare favorably or unfavorably with salaries for other services, but all of our people are classified and paid in accordance with the regulations of the Personnel Classification Board.

Senator KING. I hope that your methods of classification there are different from what they are in some other departments. I am told that in some departments—and I have made some investigation—that of certain persons doing the same class of work one would be in class A and another away up three or four jumps ahead, receiving two or three times more salary. That is favoritism or something else. I hope to abolish the classification board. I think it is expensive—well, I will not characterize it, but I think it ought to be abolished.

Senator SHORTRIDGE. Speaking generally, what is the highest salary paid to any one engaged by the commission? How high do the salaries go?

Senator COSTIGAN. Below the secretary's salary?

Senator SHORTRIDGE. What is the salary of the commissioners first?

Mr. MORGAN. \$11,000.

Senator COSTIGAN. And the salary of the secretary?

Mr. MORGAN. \$7,500.

Senator COSTIGAN. Are those the highest?

Mr. MORGAN. No; the chief economist receives \$8,000. Our representative in Europe receives \$8,000. That is Mr. Bethuen.

Senator COSTIGAN. What does the chief investigator receive?

Mr. MORGAN. \$7,500.

Senator COSTIGAN. What does the chief of the economic division get?

Mr. MORGAN. \$7,500.

Senator COSTIGAN. That is Mr. Fox?

Mr. MORGAN. Yes, sir.

Commissioner BROSSARD. Fox and Comer get the same.

Senator COSTIGAN. \$7,500?

Commissioner BROSSARD. Yes.

The CHAIRMAN. Those are the same rates that are paid in similar positions in the Government service. They are all classified and we have to appropriate every year for them.

Commissioner BROSSARD. Yes.

Senator COSTIGAN. It has been my painful duty to refer to charges brought to my attention. In fairness to Commissioner Brossard and in order that it may not appear that such charges were repeated with any other than a public purpose, I feel that I should offer to bring before the members of the Finance Committee one or more witnesses who are responsible for the questions asked by me this morning.

Senator KING. Senator, if you specify the circumstances and the facts developed, do you think there is any necessity for that?

Senator COSTIGAN. Frankly, I am unable to state that I am satisfied, Senator King, because certain of these denials are based on alleged lack of knowledge.

Senator KING. Suppose it should transpire that a large number of employees in the investigation in New York came from this labor exchange to which you have referred, and that there was compensation exacted from the persons employed by that exchange, and it transpired that the Tariff Commission generally and Doctor Brossard in particular, knew nothing about it: Would there be any advantage in making any further inquiry?

Senator COSTIGAN. If there was no responsibility on the part of Doctor Brossard and no knowledge, of course he ought not to be charged with it. But the reports which were voluntarily given me indicate otherwise.

Senator HARRISON. Senator, you want two more persons to come before the committee?

Senator COSTIGAN. That would be my suggestion.

The CHAIRMAN. You mean, to testify against Doctor Brossard?

Senator COSTIGAN. No. I would like to have Doctor Brossard's brother here and at least one other witness.

The CHAIRMAN. I suggest that we ought to have the meeting as soon as we can.

Senator COSTIGAN. I regret the necessity of bringing such matters to the attention of the committee.

Senator SHORTRIDGE. The point is that you have certain information that certain agencies in New York, for example, exacted from applicants a certain fee or compensation to the end that they might be employed by the commission. The commissioners say they have no knowledge of that, if it be so. That is the situation, is it not?

Commissioner BROSSARD. Exactly.

Mr. MORGAN. Precisely.

Senator COSTIGAN. I assume that Doctor Brossard himself would wish his brother to testify under these circumstances.

Commissioner BROSSARD. I have no objection in the world to having my brother testify. I wish he were here now and he could give you the information in two seconds.

Senator KING. Where are the persons that you would like to have appear before the committee?

Senator COSTIGAN. They are believed to be in the city, Senator.

The CHAIRMAN. Who are they?

Senator COSTIGAN. One is a former employee of the commission, a Mr. Conrad, who lives in Washington, at the Wardman Park Hotel, and the other is Mr. Wall, to whom I think you referred. I do not know that he is here.

Mr. MORGAN. Mr. Wall, I think, is in the Philippine Islands.

Senator COSTIGAN. My report was that he had returned and was en route to Washington and was expected here.

Mr. MORGAN. Oh. Possibly so.

I have now, Mr. Chairman, some figures that were asked for as to per diems. The per diem for the permanent staff and travel expenses, including railroad transportation and allowances for the permanent staff, amounted in a year and four months to \$42,455.36.

For the temporary staff who traveled out of New York, \$5,349.97; total, \$47,805.33.

The CHAIRMAN. We will meet to-morrow morning at 10 o'clock.

(Whereupon, at 12.20 o'clock p. m., the committee adjourned until tomorrow, Wednesday, June 8, 1932, at 10 o'clock a. m.)

CONFIRMATION OF EDGAR B. BROSSARD AS TARIFF COMMISSIONER

WEDNESDAY, JUNE 8, 1932

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C.

The CHAIRMAN. The committee will be in order and the hearing may proceed.

STATEMENT OF HON. FIORELLO H. LaGUARDIA, A REPRESENTATIVE IN THE CONGRESS OF THE UNITED STATES FROM THE TWENTIETH DISTRICT OF NEW YORK

Senator COSTIGAN. May I say, Mr. Chairman, that I telephoned Representative LaGuardia this morning asking whether he had the letter or a copy of the letter which he is reported to have sent to the Tariff Commission with reference to the employment of experts in the city of New York by the Tariff Commission in the domestic value investigation. Congressman LaGuardia was good enough to say that he would look for the letter and would come in person to identify it.

Representative LaGUARDIA. My memory is refreshed by looking at the file. Last May, 1931, I learned that a private employment agency was used by the Tariff Commission to furnish accountant investigators, and I then protested to the Tariff Commission, perhaps a little too forcefully, by telegram. The telegram is here.

Senator COSTIGAN. Perhaps I should say, if you will pardon me, Congressman LaGuardia, that you did not bring this matter to my attention?

Representative LaGUARDIA. No.

Senator COSTIGAN. And we have had no prior conversation on the subject.

The CHAIRMAN. That would not make any difference, if you did.

Senator COSTIGAN. No; however, I just wanted to have the committee understand that fact.

Representative LaGUARDIA. The correspondence is with Henry P. Fletcher, and here is the complete file [exhibiting].

Senator HARRISON. When you protested did they then revamp their procedure and begin to use the agency of the United States in getting their employees?

Representative LaGUARDIA. I think they did. I can not remember who informed me of the matter, but I received the information. Then I protested immediately.

Senator COSTIGAN. Did you send a telegram or a letter?

Representative LaGUARDIA. I sent a telegram.

The CHAIRMAN. I suppose the report was made to you by some one who had taken the examination and failed?

Representative LA GUARDIA. No; I think not, Senator. At the time I had just finished disclosing a system at the veterans' hospital where they had a private employment agency to get their help, and they were charged \$5, and I made quite a bit of noise about that. Information came to me—you know how information comes in in that way—

Senator HARRISON. What kind of an answer did the Tariff Commission give you to your telegram?

Senator COSTIGAN. I should like the telegram to go into the record, Senator Harrison.

Senator SHORTRIDGE. What was the fact in the beginning?

Representative LA GUARDIA. Shall I read it, sir?

Senator SHORTRIDGE. Yes.

Representative LA GUARDIA (reading):

MAY 25, 1931.

HON. HENRY P. FLETCHER,

United States Tariff Commission, Washington, D. C.:

Have just learned that your New York office applied to firms of accountants to make recommendations for junior accountants to be appointed within the next few days. I am reliably informed and your New York office admits that several applicants have been sent by private employment agencies. The National Employment Exchange at 30 Church Street, New York City, have sent at least 60 applicants. A fee is charged by private employment agencies each time an address of available work is given. Your New York office tells me that appointments are to be made impartially. I do not understand what you mean by that. Should an applicant be disqualified because he is recommended by a Member of Congress? President has announced creation of a Federal Employment Service. Why should any branch of Government employ through private agencies charging fees when Congress has appropriated for such employment service? I am going to make recommendations and expect applicants applying for these positions coming from me to be treated fairly and not discriminated against in favor of private employment agencies and firms of accountants who have interest in knowing what is going on at the commission. Will be glad to hear from you at 295 Madison Avenue, New York City. I have just cleaned up a similar condition in the Veterans' Bureau. Secretary of Labor Doak can tell you about it.

F. H. LA GUARDIA.

Then I wired Mr. Doak.

Senator COSTIGAN. Did you get an answer to that telegram?

Representative LA GUARDIA. Yes, sir.

Senator COSTIGAN. Read the answering telegram now, please.

Representative LA GUARDIA (reading):

WASHINGTON, D. C., May 26, 1931.

HON. FIORELLO H. LA GUARDIA:

Your telegram received. Commission expects to appoint a few accountants soon from list applicants received from many sources, and will be glad to consider any you care to recommend. Applicants should be young men with considerable accounting experience for temporary employment few months in New York in connection with valuation work, at salary rate eighteen to twenty-four hundred per annum.

HENRY P. FLETCHER,
Chairman United States Tariff Commission.

And then there was a long letter of June 18, 1931, in reply to my letter of June 15. I do not seem to have it here.

Senator HARRISON. Was it along the same lines?

Representative LA GUARDIA. Yes, sir; along the same lines.

Senator COSTIGAN. I may say to Senator Couzens that the testimony before he arrived was, in part, that Doctor Brossard was in New York conducting, more or less in person, the office in connection

with a particular investigation of the Tariff Commission, and that the commission, which had been instructed by Congress to make a particular investigation, namely, the domestic value investigation, was engaging accountants in New York. Testimony was not given, although I think I intimated that I had heard that substantial sums of money were paid by these accountants in order to secure these positions through private employment agencies. Congressman LaGuardia evidently heard of this situation and protested and suggested that employees should come through the United States Employment Agency.

The CHAIRMAN. Do you claim that Doctor Brossard was responsible for this in New York?

Senator COSTIGAN. I made no claim, Mr. Chairman.

The CHAIRMAN. I know you did not yesterday.

Senator COSTIGAN. I merely stated what had been reported to me.

Senator SHORTRIDGE. But it is before us now that he had no knowledge of that condition.

Senator COSTIGAN. He stated that he had no knowledge.

Senator HARRISON. It was also stated that when this matter was brought to the attention of the Tariff Commission that this Labor Department employment bureau was being organized, the commission applied to them.

Senator COSTIGAN. There is another witness here who was in the New York office.

Mr. MORGAN. Before Congressman LaGuardia leaves. He used the phrase, "The United States Tariff Commission used the agency." I wonder if it would not be more correct to say that the agency used the opportunity of the commission.

Representative LA GUARDIA. To be perfectly frank, I think there was a contact between the New York office and that agency.

Mr. MORGAN. On the initiative of the agency that came down to ask what was going on?

Representative LA GUARDIA. I do not know anything about that.

Senator COSTIGAN. Were you interested in positions for constituents or friends of your own which aroused your activity?

Representative LA GUARDIA. In connection with my fight against a private employment agency and in cleaning up the veterans' situation; and this followed right after that.

Senator COSTIGAN. What were you seeking to do?

Representative LA GUARDIA. I was seeking to avoid the exploitation of unemployed people by private employment agencies giving them jobs in the United States Government.

Senator HARRISON. A very commendable thing.

The CHAIRMAN. A very splendid thing.

Commissioner BROSSARD. The Tariff Commission was after the same thing, and we were glad to have it called to our attention.

(Witness excused.)

STATEMENT OF WILLIAM M. CONRAD, WARDMAN PARK HOTEL, WASHINGTON, D. C.

The CHAIRMAN. Do you live in New York or do you live here?

Mr. CONRAD. In Washington, D. C. I was in New York, Senator.

Senator COSTIGAN. Have you been connected with the Tariff Commission?

Mr. CONRAD. I was connected with the Tariff Commission from January, 1929, to April, 1932.

Senator COSTIGAN. In what capacity?

Mr. CONRAD. Listed as a special expert.

Senator COSTIGAN. What was your occupation prior to that employment?

Mr. CONRAD. Prior to that employment I had been living in Virginia, suffering from war disabilities.

Senator COSTIGAN. Were you in the Army?

Mr. CONRAD. Yes, sir. I was a first lieutenant.

Senator COSTIGAN. You served abroad?

Mr. CONRAD. No, sir; in the United States.

Senator COSTIGAN. Please tell what you know of the New York activities of the Tariff Commission with respect to the so-called domestic value investigation.

Mr. CONRAD. I was sent to New York and made a sort of administrative assistant to the acting director of valuation.

Senator COSTIGAN. And who was that?

Mr. CONRAD. Mr. Billings. I had an opportunity from time to time to watch the personnel as it came in. In fact, I had a pretty close view of the organization of the office.

Senator COSTIGAN. You have heard what Congressman LaGuardia stated this morning?

Mr. CONRAD. Yes, sir.

Senator COSTIGAN. Have you any information on that general subject of the employment of accountants in New York by the United States Tariff Commission?

Mr. CONRAD. I understood that contacts in New York were made by the secretary. I know that when I went to New York in May, 1931, individuals were coming in from time to time, and at least one man suggested that his job had cost him about \$150.

Senator COSTIGAN. Did he state how that cost had been incurred?

Mr. CONRAD. I asked him. I said, "How is this?" He said, "I have applied at the National Employment Agency and I was referred to this office, and I am paying"—I think he said, \$25 a month. Later there were several—

Senator COSTIGAN. \$25 a month for what? Did he specify?

Mr. CONRAD. He was paying the commission of the employment agency, taking it out so much per month, out of his salary. Later there were several who mentioned it in a general way, and I think that some of them were paying about \$200.

Senator HARRISON. A month?

Mr. CONRAD. No, sir; \$200 total.

The CHAIRMAN. Can you give the names of them at this time?

Senator COSTIGAN. First of all, to whom were they paying this money?

Mr. CONRAD. I presume, to the National Employment Agency.

Senator COSTIGAN. Is that what they reported, or simply what you inferred?

Mr. CONRAD. Just simply sitting asking those questions it was brought out.

The CHAIRMAN. Will you give us the names of the parties?

Mr. CONRAD. Senator, my mind is cloudy after a year as to exactly who those men were. There were possibly 150 men at different times

milling in and out of that office, and I would hesitate to say or to give the names.

The CHAIRMAN. Would not that impress you so thoroughly when the first man came to you with that information that you would know who he was?

Mr. CONRAD. Senator, that office was very busy and we were working like Trojans over there. It was pretty near like an Army gang. In the move every day there it did not register. I did not keep a diary like some of the other members of the commission staff had. I realize that I should have done so, since you ask me that question.

Senator HARRISON. Did you report it to anyone?

Mr. CONRAD. Senator, I mentioned it in a general way.

The CHAIRMAN. To whom?

Mr. CONRAD. I think I spoke to some of the members of the staff about it.

The CHAIRMAN. Can you not remember which ones of the staff?

Mr. CONRAD. Senator, I do not believe I can say which member of the staff it was. As I say, there were sometimes 50 to 75 men in that room. I do know that a short time later there was considerable furore, and it was pointed out that Congressman LaGuardia had threatened to bring the matter to the floor of the House; that he had sent several individuals to the chairman or to Secretary Morgan, and that those individuals had been turned down and had been given no consideration. I know that a short time later several of them came in and said they were friends of Mr. LaGuardia. They went on the roll almost immediately. One man said that he had been called to the Tariff Commission and had discussed the matter with several—

Senator SHORTRIDGE. Discussed what matter?

Mr. CONRAD. Discussed his availability for work as a special expert, or an accountant, rather, of the commission. Immediately he was placed on the roll and came to New York.

The CHAIRMAN. What was his name?

Mr. CONRAD. His name was Weiss.

Senator SHORTRIDGE. If you are through, Senator Costigan, I would like to ask some questions.

Senator COSTIGAN. Certainly. I assumed that the chairman was questioning. Go ahead, please.

Senator SHORTRIDGE. What position did you hold?

Mr. CONRAD. In New York?

Senator SHORTRIDGE. Yes.

Mr. CONRAD. I was sort of an administrative assistant to the acting director of valuation.

Senator SHORTRIDGE. You were employed in the first instance here in Washington?

Mr. CONRAD. Yes, sir.

Senator SHORTRIDGE. And then sent over to New York?

Mr. CONRAD. Yes, sir.

Senator SHORTRIDGE. Your salary was what?

Mr. CONRAD. \$2,600 a year.

Senator SHORTRIDGE. And when in New York did you receive a per diem?

Mr. CONRAD. No, sir.

Senator SHORTRIDGE. How long were you stationed in New York?

Mr. CONRAD. One year.

Senator SHORTRIDGE. What was this National Employment Agency?

Mr. CONRAD. Senator, I suppose it is one of a hundred different agencies who canvas for jobs for individuals and send them out and charge them, say, \$100 to \$200, depending upon what their salary may be.

Senator SHORTRIDGE. If they secure positions for them?

Mr. CONRAD. Yes, sir.

Senator SHORTRIDGE. Have you any knowledge as to whether any member of the Tariff Commission was aware of the fact that this concern charged a given amount of money and received a commission from an employee's salary money?

Mr. CONRAD. I have no knowledge as to that. Of course, as I understood it, Secretary Morgan was in New York and made the original contacts.

Senator SHORTRIDGE. What do you mean by the original contacts?

Mr. CONRAD. I mean, practically the organization of the office.

Senator SHORTRIDGE. When a given man applied for a position he was examined as to his qualifications?

Mr. CONRAD. No, sir. I would say that some one contacted the National Employment Agency and they sent their men to the organizers of the office. That would have been the procedure.

Senator SHORTRIDGE. But before a man was employed by the commission was he not examined as to his qualifications for that given position?

Mr. CONRAD. Oh, I presume so; yes.

Senator SHORTRIDGE. Who carried on that investigation?

Mr. CONRAD. I presume it was Mr. Morgan and Doctor Brossard and others.

Senator COSTIGAN. Were both these gentlemen in New York during the part of the time you were there—Mr. Morgan and Doctor Brossard?

Mr. CONRAD. Oh, yes, frequently. Mr. Morgan was in closest touch with the office.

Senator COSTIGAN. Senator Shortridge asked you about the receipt of a per diem. Did other members of the staff receive per diems during the period while you were there, if you know?

Mr. CONRAD. The temporary employees did not receive a per diem.

Senator COSTIGAN. Who were the temporary employees?

Mr. CONRAD. They were the men who were taken on in New York.

Senator COSTIGAN. In New York City?

Mr. CONRAD. Yes, sir.

Senator HARRISON. Has there been any hint that Mr. Brossard or Mr. Morgan were in this employment proposition, that they were sharing in the profits of these commissions for giving people jobs, and in such close cooperation with the organization that it was a wheel within a wheel?

Mr. CONRAD. Senator, I hesitate to do an injustice to anyone, but I was told in New York that either Mr. Billings—that it was generally understood that either Mr. Billings or Mr. Morgan made the original contact with this employment agency.

Senator HARRISON. What do you mean by the original contact? Do you mean that here was an employment agency—as you say, there are hundreds of them there—that was trying to get people jobs, and when a fellow went to the agency and said, “Get me a job,” they said, “If we do you will have to give a percentage to us”? Were Mr. Brossard and Mr. Morgan interested at all in this employment agency? You say they had contact with it. Do you mean that these people came and said, “We are going to recommend certain people to you, and you will have to ‘divvy’ up”? Let us get at the facts of the matter, if there is anything to it. Let us not go all around it.

Mr. CONRAD. As I see it, Senator, Doctor Brossard and Mr. Morgan were the responsible heads of the organization.

Senator HARRISON. Yes.

Mr. CONRAD. And I should assume that they assumed responsibility for every act of that organization.

The CHAIRMAN. Every act of yours they were responsible for.

Senator COSTIGAN. Congressman LaGuardia’s suggestion was that these men were forced to pay commissions when they should have been employed without charge through the United States Employment Service.

The CHAIRMAN. Yes; and that was explained yesterday by the representative of the Tariff Commission, and when you get through your testimony I will ask him to repeat it again.

Senator SHORTRIDGE. Let us pursue what Senator Harrison asked. You have stated here that this agency had to do with procuring employment for men, and that men applied to the agency to look for employment for them, and charged them a certain percentage of wages or a certain fixed sum, as you understand it?

Mr. CONRAD. Yes, sir.

Senator SHORTRIDGE. And that there are many such agencies in New York?

Mr. CONRAD. I presume there are; yes.

The CHAIRMAN. All over the country, too, of course.

Senator SHORTRIDGE. The material point is whether any member of the Tariff Commission shared in or participated in any such arrangement.

Senator COSTIGAN. That is not the point that I have sought to bring out, Senator Shortridge.

Senator SHORTRIDGE. What is the question, then?

Senator COSTIGAN. The question as I have attempted to present it is the one submitted to us this morning by Congressman LaGuardia—the propriety of forcing employees of a Federal commission, in effect, to pay a commission for employment, when, apparently, under the United States Employment Service they may be employed without such charge.

Senator SHORTRIDGE. There is no evidence that they forced anything.

The CHAIRMAN. Did you take it from what Congressman LaGuardia said that anybody was forced into it?

Senator COSTIGAN. I said, in effect, Mr. Chairman. What I had in mind was by economic conditions.

The CHAIRMAN. Anybody who went to the employment agency went there on their own responsibility, and if they lost the money they lost it because they agreed to pay it to the employment agency

Senator HARRISON. If Mr. Morgan and Mr. Brossard were interested in any employment bureau and sharing in the profits or conniving at the proposition, it would be most reprehensible and they ought to be fired. But if when they went up there to organize this force and there was an employment bureau recommending people and they were otherwise all right, and they knew nothing about that proposition, but as soon as it was called to their attention, as Congressman LaGuardia said, they quit—and Mr. Brossard said yesterday that as soon as it was brought to their attention they changed their policy—then that puts a different phase on the whole matter. I was just trying to get you to throw any light that you had on the proposition, if you have any facts on it.

Mr. CONRAD. It seems to me to be very bad judgment.

Senator HARRISON. If they were to employ anybody that had been recommended by one of those bureaus?

Mr. CONRAD. Yes, sir; and that those people were paying \$150 to \$250. If I had been in the same position I do not think I would have laid myself open. That was just my reaction.

The CHAIRMAN. There was no statement made here that any one paid \$250. Do you know any of them that paid \$250?

Mr. CONRAD. I do not know, Senator.

The CHAIRMAN. Well, so many of them talked with you, you could certainly remember some of them.

Mr. CONRAD. Senator, I do not want to do any man an injustice, and I am afraid that if I mentioned some man there I would make a mistake.

The CHAIRMAN. Not at all.

Mr. CONRAD. Yes; I feel that way.

The CHAIRMAN. You feel that you do not know whether it is so or not, then?

Mr. CONRAD. No, sir.

The CHAIRMAN. There is no mistake that you can make. We can have the man down here and find out.

Mr. CONRAD. The records of the employment agency will show each man that was employed by the Tariff Commission and it will show the amount he paid.

Senator HARRISON. And show the recommendations?

Mr. CONRAD. Yes. It will show the amount he paid.

Senator KING. Suppose you had been in charge, as Mr. Morgan was, of arranging the staff and laying out the administrative work, and a number of men came there and you examined them carefully and discovered that they were entirely competent for the work to be assigned them: Would you refuse to hire them because they came with a recommendation of some employment agency, not that of the United States?

Mr. CONRAD. Senator, I think I would watch my step very closely.

Senator KING. Would you think that the man was so tainted because he came with the recommendation of some employment agency that he ought not to be employed?

Mr. CONRAD. Not for a second; but I would figure that I was tainted.

Senator KING. Would you simply say, "I will not employ you. You ought not to come with a recommendation of this employment agency"—an agency which has a good reputation, we will say—"I

will go out on the street and hire men. I am not going to hire anybody that comes from an employment agency." Would you have taken that position? I just want to get your view.

Mr. CONRAD. No; of course, I would not take that position; but I would be looking backward every step I made.

Senator KING. Suppose you discovered that an employee had paid or had agreed to pay an employment agency \$100, knowing as you must know as a practical man that they have employment agencies which charge for the services they render? If you employed a servant girl you would telephone an employment agency and you know that she has to pay something, unless it is a Government employment agency—

Mr. CONRAD. I would refuse to hire one.

Senator KING. You would refuse to communicate with an employment agency, and if men from such an agency came to you entirely competent, whose characters were good, and they were evidently competent to discharge their duties, you would feel that you would be tainted or be reprehensible if you employed them?

Mr. CONRAD. I would contact my superior officer for instructions.

Senator KING. Supposing you were in charge and had the responsibility of hiring them; how would you go about it? I am just wondering.

Mr. CONRAD. As I say, Senator, I would watch my step.

Senator COSTIGAN. How would you have employed people if you had been in charge of the New York office?

Mr. CONRAD. I would have gone to the United States Employment Agency. I would have tied up with the Government agency at the inception.

The CHAIRMAN. You were an administrative officer, were you not?

Mr. CONRAD. I was an assistant.

The CHAIRMAN. Did you ever write to Mr. Fletcher about this?

Mr. CONRAD. Did I ever write to him?

The CHAIRMAN. Did you call Mr. Fletcher's attention to it?

Mr. CONRAD. No. It was a matter of common gossip in the office.

The CHAIRMAN. Oh, that is not the question.

Senator HARRISON. These gentlemen say that they did not know that there had been organized this employment bureau in the Department of Labor, but that as soon as it was brought to their attention they did take it up and use that agency. Do you know any facts to contradict that statement?

Mr. CONRAD. No, sir.

Senator HARRISON. Then that may be true, so far as you know?

Mr. CONRAD. Yes, sir.

Senator COSTIGAN. One other inquiry. Were you connected with the office of the commission in this city?

Mr. CONRAD. Yes, sir.

Senator COSTIGAN. During the period in which you were so connected do you know whether or not a brother of Doctor Brossard visited the commission for the purpose of selling stock?

Mr. CONRAD. Yes. A brother of Doctor Brossard was selling a special contract. He came to see me a number of times.

Senator COSTIGAN. In office hours or out of office hours?

Mr. CONRAD. Both.

The CHAIRMAN. During office hours did you object to his calling?

Mr. CONRAD. Senator, I did not feel that I could object to a brother of Doctor Brossard sitting at a desk talking to me.

The CHAIRMAN. You thought it was wrong, did you?

Mr. CONRAD. I did not approve of it.

The CHAIRMAN. Why did you allow it, then?

Mr. CONRAD. As I said, Senator, out of respect for the chairman of the commission.

Senator SHORTRIDGE. Did you buy any of the certificates?

Mr. CONRAD. No, sir; I did not.

Senator COSTIGAN. Is this gentleman [indicating] the brother who sold it?

Mr. CONRAD. No; it was another brother.

Commissioner BROSSARD. My other brother is here, if you would like to see him.

Senator KING. While he is coming in, may I ask a question? From your observations there in New York do you think there was an excessive number of employees, that the work was not being prosecuted with reasonable economy and incompetent men were given employment for the work that was performed, considering the peculiar character of the work and its novelty?

Mr. CONRAD. I think the work was being well done.

Senator KING. You think that there was an unnecessary number of persons employed?

Mr. CONRAD. I do not think so, Senator.

Senator KING. Do you think that incompetent men were employed, or if so employed and their incompetency discovered, they were continued in their positions?

Mr. CONRAD. I do not think they were. I think efficiency was the rule.

Senator KING. You think that the men that did come from this agency were competent?

Mr. CONRAD. I believe they were.

Senator KING. And discharged their duties with fidelity?

Mr. CONRAD. I think they did.

Senator KING. So you have no complaint against the personnel?

Mr. CONRAD. None.

Senator KING. And your only criticism, if you have a criticism, is that you think that Mr. Morgan or Commissioner Brossard, or both, or whoever did employ them, ought not to have employed persons who came from an agency, or if they did that they ought, to use your expression, to have watched their step. But you have no complaint as to the character or ability or work, of those whom they did employ?

Mr. CONRAD. No, sir.

Senator HARRISON. When was it that Mr. Brossard came to you to sell you some stock, if you can remember?

Mr. CONRAD. I think it was about a month or two after I came with the commission in 1929.

Senator HARRISON. That was the first time?

Mr. CONRAD. I believe so. It may have been later.

Senator HARRISON. How long after that was the second time and the third time?

Mr. CONRAD. Mr. Mullins, who is connected with the economics division, contacted me, sir, and said that Mr. Brossard wanted to dis-

cuss with me an investment, and he said, "I hope to bring him in in a few days." He brought him in and introduced him. I talked with him—

Senator COSTIGAN. Was that during office hours or after?

Mr. CONRAD. I would not say as to that special instance. I can not say whether it was during office hours or not.

Senator HARRISON. Who is Mr. Mullins?

Mr. CONRAD. A member of the economics staff of the commission.

Senator KING. Was he your superior?

Mr. CONRAD. No, sir.

The CHAIRMAN. What date was this?

Mr. CONRAD. I think it was early in 1929.

Senator HARRISON. Over what space of time did he come to see you? Was it for six months at intervals or for one month or two months or how long was it?

Mr. CONRAD. I would say, possibly two years.

Senator HARRISON. For two years he would come to see you?

Mr. CONRAD. Yes.

Senator HARRISON. Was it ever brought to the attention of any of the higher-ups in the commission, do you know?

Mr. CONRAD. I do not know. I do know that Mr. Mullins told me that the greater portion of the staff had taken those contracts.

Senator HARRISON. How many times within that two years would you say that he approached you?

Mr. CONRAD. That would be hard to say, Senator. Possibly once in two months. It may have been once in two weeks at times.

Senator HARRISON. Would you say it was at least 12 times that he came to see you?

Mr. CONRAD. I would say something like that. It may not have been quite that many.

Senator HARRISON. How many of those times would you say were during office hours?

Mr. CONRAD. During the early part of the period a number of the times were during office hours. Later I understand that Commissioner Denis had brought the matter up and had complained very vehemently, and later I think Mr. Brossard called me on the telephone and asked me outside during lunch hour.

Senator HARRISON. How long after that did Mr. Denis bring it up to the commission following his first trip to see you?

Mr. CONRAD. I would not say as to that, Senator.

Senator HARRISON. Would you say, two or three months or later?

Mr. CONRAD. I could not say as to that.

Senator HARRISON. Was it stopped after that, do you think, so far as visiting the office during office hours was concerned?

Mr. CONRAD. I do not think it stopped until Mr. Fletcher became chairman.

Senator GEORGE. What was the nature of those contracts?

Mr. CONRAD. Senator, the contract is—

Senator GEORGE. Just what did it have to do with?

Mr. CONRAD. It is a contract that runs over a period of about 10 years. You pay in so much each month. It has a cash value at the end of two or three or five years. In other words, you have to carry it to its maturity, at least, as I figure, to break even.

Senator GEORGE. Is it a form of insurance or an investment?

Mr. CONRAD. A form of savings.

Senator HARRISON. One of these investment trusts?

Mr. CONRAD. The Investors' Syndicate of Minneapolis, Minn.

Senator HARRISON. Did you take a contract?

Mr. CONRAD. No, sir.

Senator HARRISON. But he kept on after you?

Mr. CONRAD. Yes.

Senator HARRISON. You did not encourage him?

Mr. CONRAD. No, sir.

The CHAIRMAN. Is there anything else?

Senator COSTIGAN. That is all, so far as I am concerned.

Commissioner BLOSSARD. I have both my brothers here. Is this [indicating] the brother that you say approached you?

Mr. CONRAD. Yes, sir.

Senator HARRISON. If Mr. Conrad is through, let us take Commissioner Brossard's brother.

STATEMENT OF FRED U. BROSSARD, WASHINGTON, D. C.

The CHAIRMAN. State your full name for the record.

Mr. BROSSARD. Fred U. Brossard, 2518 Seventeenth Street, Washington, D. C.

The CHAIRMAN. You are a brother of Doctor Brossard?

Mr. BROSSARD. Yes, sir.

The CHAIRMAN. What is your business?

Mr. BROSSARD. I have been with the Investors' Syndicate, which is a savings plan. Along with that I sell produce. I handle Idaho potatoes and beans and onions in carload lots to the chain stores and to the commission men.

The CHAIRMAN. Do you spend most of your time with the Investors' Syndicate?

Mr. BROSSARD. No. It is about equally divided. I am no longer connected with the savings institution.

Senator COSTIGAN. How long have you been in Washington?

Mr. BROSSARD. About seven years.

Senator COSTIGAN. You formerly lived in Utah?

Mr. BROSSARD. Idaho.

The CHAIRMAN. Did you spend very much time in soliciting at the Tariff Commission?

Mr. BROSSARD. No; my business that I got out of there I got right quick. I usually went in there at the noon hour. I have always made it a practice not to talk to anybody that had some important work to get out. My first approach is always—I ask them if they have 10 or 15 minutes that they could spare so that I might tell them our plan of saving money.

The CHAIRMAN. You heard the witness who just left the stand?

Mr. BROSSARD. The latter part of his testimony; yes, sir.

Senator COSTIGAN. When did you become acquainted with Mr. Conrad?

Mr. BROSSARD. This would only be the approximate date, but something like about three years ago this July or August.

The CHAIRMAN. Those were the two months that you called upon him?

Mr. BROSSARD. Yes, sir.

The CHAIRMAN. How many times did you call upon him?

Mr. BROSSARD. I talked to Mr. Conrad once in the office.

The CHAIRMAN. Was that during working hours?

Mr. BROSSARD. It seems to me it was during the lunch hour, because Mr. Mullins, the man that made the contact for me, said it was not so good to attempt to go in there while they were busy. And then I met Mr. Conrad two or three times after that in the drug store on the corner of Ninth and F and talked to him there. Another day he was outside and I happened to meet him again outside and talked to him about it then. Another time at Eighteenth and Columbia Road I talked to him about it.

The CHAIRMAN. How many times did you talk to him in the Tariff Commission headquarters?

Mr. BROSSARD. Probably twice.

The CHAIRMAN. Was the second time at his desk?

Mr. BROSSARD. As I recall.

The CHAIRMAN. It was?

Mr. BROSSARD. I think so.

Senator COSTIGAN. Where was his desk?

Mr. BROSSARD. Well, now, that I am not familiar enough with to tell you.

Senator COSTIGAN. I did not know whether it was in the secretary's office or elsewhere.

Mr. BROSSARD. Well, it was not in the secretary's office.

Senator HARRISON. He is not the only one you solicited business from up there, is he?

Mr. BROSSARD. No, sir.

Senator COSTIGAN. How many contracts did you sell to members of the Tariff Commission staff?

Mr. BROSSARD. About 14.

Senator COSTIGAN. Where did you discuss the subject of the purchase of these contracts with the members of the staff to whom you sold the contracts?

Mr. BROSSARD. Sometimes there; sometimes at their homes. I think it was about equally divided.

Senator COSTIGAN. You say "sometimes there"—meaning at the Tariff Commission office?

Mr. BROSSARD. Yes, sir.

Senator COSTIGAN. Were those discussions during office hours or otherwise?

Mr. BROSSARD. Usually at lunch time.

Senator HARRISON. Have they got a rule up there in that office that you can not solicit business during office hours?

Mr. BROSSARD. Some of them have, but it is not usually lived up to.

Senator HARRISON. Was that the only Government office that you visited?

Mr. BROSSARD. No, sir. I have been in the Department of Agriculture; I have a great many clients there; in the Navy, in the Munitions Building, in the Naval Hospital, Walter Reed—

Senator HARRISON. Of course you are out of that business now, but was it called to your attention and were you advised not to solicit any more business in there?

Mr. BROSSARD. I have not been in the Tariff Commission to solicit business for over two years.

Senator HARRISON. Why did you stop?

Mr. BROSSARD. There was an order issued there, as I recall—this was told to me by one of my clients—that any employee who was, during business hours, found conversing with any solicitors about matters that did not pertain to the Tariff Commission would be taken to task; and I have not been down there since.

Senator SHORTRIDGE. What was this contract? What was the nature of the so-called certificate or contract which you sought to sell to any given person? What is it?

Mr. BROSSARD. It is a monthly savings plan. You may save money annually, semiannually, monthly—you make your payments that way. For instance, per thousand the payment is \$6.50 per month if you pay it by the month. You have your election to pay it monthly, quarterly, semiannually, or annually. It runs over a period of 10 years. You put in \$740 and at the end of 10 years you take out \$1,000.

Senator HARRISON. You will sell him one of those things if you keep talking.

Mr. BROSSARD. I have sold a good many up on the hill.

Senator SHORTRIDGE. Where is the home office?

Mr. BROSSARD. Minneapolis, Minn.

Senator SHORTRIDGE. What is the name of it?

Mr. BROSSARD. Investors' Syndicate.

Senator HARRISON. Is it still doing business?

Mr. BROSSARD. They are the largest concern of their kind in the world, I guess. They have gone from \$26,000,000 to \$49,000,000.

Senator SHORTRIDGE. They are not in the receiver's hands now?

Mr. BROSSARD. They are in a stronger position to-day than they have been, I guess, at any time in the 30 years they have been operating.

Senator COSTIGAN. How long have you been separated from them?

Mr. BROSSARD. About three months.

Senator HARRISON. Did you feel you were doing an injustice to your brother to solicit business up there; that it was unethical?

Mr. BROSSARD. I rather thought so. As a matter of fact, I never let him know that I was there.

Senator HARRISON. How did you come to change your mind?

Mr. BROSSARD. Selling is my business, you see, and I had to sell to make a living.

Senator HARRISON. Did he ever ask you not to come there any more?

Mr. BROSSARD. He told me this, that he would like it very much if I would never use his name or use him as any kind of leverage to make a sale.

Senator SHORTRIDGE. Did you presume upon the fact that he was a commissioner to put over any sale?

Mr. BROSSARD. No, sir.

Senator COSTIGAN. Did you ever speak to Doctor Denis about it or did he speak to you?

Mr. BROSSARD. No, sir; I have never talked to Doctor Denis about it.

Senator COSTIGAN. That is all, Mr. Chairman.

Commissioner BROSSARD. Doctor Denis' name has been mentioned several times here. If Doctor Denis knew anything about it, he never said anything to me about it. If he had I think it would have been taken care of easily. But as far as I know, whether he knew about it or not, he never mentioned it to me.

(Witness excused.)

Senator KING. Are you familiar with the orders to which reference has been made, I think, by your brother, forbidding employees from, during office hours, having contacts with persons selling things of this kind?

Commissioner BROSSARD. Yes; and my brothers were both advised of the order, and since then they have never, either of them, been in the Tariff Commission. My other brother tells me he has not been there in three years, and Fred just now says he has not been there in more than two years. However, they do go to other departments of the Government unmolested.

Senator SHORTRIDGE. What is there wrong in it?

Senator HARRISON. You have an order now in the Tariff Commission that if a Congressman or Senator calls up an employee can not talk to him unless he reports to the chairman.

Commissioner BROSSARD. It is not quite so severe as that, Senator. I will say it is rather severe, because we have tried to keep our people from being subjected to anonymous conferences.

Senator HARRISON. And I think that is right.

ADDITIONAL STATEMENT OF SIDNEY MORGAN, SECRETARY UNITED STATES TARIFF COMMISSION, WASHINGTON, D. C.

The CHAIRMAN. You have heard the testimony of Mr. Conrad, have you not?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. I wish you would tell the committee just how far that testimony conforms to the action of the commission and whether you knew anything in relation to the items referred to by him.

Mr. MORGAN. Very good, sir. The statement that Doctor Brossard was in New York during the investigation must be limited to the fact that he visited New York perhaps four times for very brief periods, not over a few days each time.

Senator COSTIGAN. While you were there?

Mr. MORGAN. I think I was there on all occasions that Doctor Brossard was there. There may be an exception. But the point I wish to make is that Doctor Brossard's headquarters were not in New York during the investigation. He went up there with another commissioner.

Senator COSTIGAN. Who was the other commissioner?

Mr. MORGAN. Commissioner Coulter went at one time.

Senator SHORTRIDGE. And what was the purpose?

Commissioner BROSSARD. He was the only other commissioner that went. I was sent especially by the Tariff Commission to interview personnel and check up on the work.

Senator HARRISON. I understood that Mr. Page could not go and that Mr. Brossard went.

Mr. MORGAN. That is true. My own time in connection with the investigation was limited to a few days to set up the physical organization, provide personnel, office space, supplies, furniture and the like. I had nothing to do with the technical part of it, but furnished all the administration services and supplies. My visits to New York were limited to a few times when urgently required.

Senator COSTIGAN. Did you examine applicants or did the commissioners examine them?

Mr. MORGAN. The examination was made by the commissioners present in New York, on some occasions two and on other occasions one, and myself as secretary, the chief investigator, if he were present, and Mr. Billings who was generally responsible for the handling of the group there. It was a committee interview, as a result of which we all took our own notes and when the applicant had gone out we showed each other what we thought—yes, yes; yes, no; or no, no, yes; and our action was taken based on the result of our personal impression.

Senator HARRISON. Did you have a talk with the head of this National Employment Bureau and know that they were going to recommend certain people to you?

Mr. MORGAN. I did not.

Senator HARRISON. Did any of the commissioners, so far as you know?

Mr. MORGAN. So far as I know absolutely no contacts were made by them or anybody representing the Tariff Commission with the idea of getting men.

Senator COSTIGAN. How was the word sent out that the commission desired employees?

Mr. MORGAN. We have in the files in Washington here a very extensive list of applications. Before we went to New York the files were carefully examined, hundreds of them, and those men who lived in the vicinity of New York City or Washington, D. C., were notified by mail or telephone to come in for an interview. Then word was also furnished Mr. Waters, our chief in New York, that we were coming up there to interview some people and to be on the lookout.

Mr. Comer, the chief investigator, surveyed the situation. By personal visit or by telephone he advised some of the leading public accounting firms of well-known reputation that we would need some qualified men of the public accountant type and we would be glad to have them recommend qualified men to us.

These, in general, were the principal sources from which we got the men who came in person. This after filling out our application form which is an extensive thing, a searching affair and one that gives a pretty good idea by showing a man's prior connections, the title of his position, the salary he received over a period of years and his educational background, so that a reasonable judgment can be formed, after you see the man, as to whether he has or has not had the education and the experience requisite for a job of that kind.

I do not know how to deny more emphatically and without equivocation of any kind that any contact was made by us with any commercial employment agency. We are just as sympathetic in the Tariff Commission with the condition of unemployed people as anybody else, and we do not want to see them exploited.

The United States Employment Agency was brought to our attention early in the work up there, in May. The first group went up in February to look the situation over, and I suppose it was late in April or early in May when we first began employing additional help. Congressman LaGuardia called our attention to the fact, and we were just as indignant about people being victimized and we being put in a false light as perhaps Congressman LaGuardia was; but at his suggestion we did go to the United States Employment Agency and I found that Mr. Koch of that agency had just been appointed. His

files were stacked around in a room with furniture that had hardly been arranged yet. I told him what we were after and he said, "Well, we are getting organized. We will help you all we can."

It would have been a practical impossibility for us to have used the United States Employment Agency much earlier than we did, because they were not organized for service.

That clears up our position, I hope.

Senator KING. Do you remember how many you got from this exchange?

Mr. MORGAN. No, sir. We took no cognizance of the fact of whether men came from one source or another, except that those men from the United States agency came by prearrangement with us, with a card from the agency which said, "We are sending this man over to you," so that we would know that this man had come through a more or less official channel and would give that weight. But I have no personal knowledge to this day of a single individual who learned of the opportunity for employment through a commercial agency.

Senator HARRISON. Did you know that any of them were paying to the employment agencies so much per month?

Mr. MORGAN. No, Senator Harrison; I did not. I dare say if the matter had been called to our attention in some official way, we would have negotiated with the agency to see what could be done to lighten the burden, in view of the fact that this was a Government employment situation.

Senator KING. You would not reject a man who came from one of these employment agencies if he had all the qualifications necessary, would you?

Mr. MORGAN. I certainly would not.

Commissioner BROSSARD. May I, before I forget it, say for the benefit of the committee also that I have certainly never approached any of these employment agencies; and, like Mr. Morgan, I knew nothing about the origin of their information that we were employing persons at all. I had no idea where they got word that we were employing men and how they came to know about the applications. A great many of the applicants got information about our employing men from some one who had been employed, and it went around by word of mouth. A great many of them came with letters of recommendation from some of the big accounting firms in New York, and as to those who came without such letters of recommendation we just took their applications at their face value without inquiring who sent them to us.

Senator SHORTRIDGE. To sum up, you examined the applicant carefully to determine whether or not he was competent and then made inquiry as to his character and his experience and all those elements before you employed him?

Commissioner BROSSARD. Yes.

Senator SHORTRIDGE. That is the fact, is it?

Commissioner BROSSARD. Yes, sir.

Senator HARRISON. What about Mr. Brossard soliciting stock up there? What do you know about that?

Mr. MORGAN. Nothing.

Senator HARRISON. When was it first brought to your attention?

Mr. MORGAN. At the meeting yesterday morning in this committee room.

Senator COSTIGAN. It is my understanding that you were not secretary during the period about which Mr. Conrad testified; is that correct?

Mr. MORGAN. With respect to this solicitation for this saving system, that is true; I was not.

Senator COSTIGAN. Mr. Bethune was secretary?

Mr. MORGAN. Yes, sir.

Commissioner BROSSARD. Mr. Bethune never called the matter to my attention at all, either, which he should have done if he was aware of it at the time.

The CHAIRMAN. Do you want to say anything else, Mr. Morgan?

Mr. MORGAN. Yes, sir. Mr. Conrad reported that some men had come in for appointment and went away with the impression that their applications were given no consideration. That, so far as I know, is not correct, because all applications of men who applied were examined. It is true that we did not call for personal examination those who were less qualified or obviously unqualified, and that may have given rise to a feeling that we were paying no attention to the application; but it was a matter of selection and not of disregarding them.

Mention was made of Mr. Weiss, a candidate sent in by Congressman LaGuardia among 12 others, and it has been our very happy experience to find that Mr. Weiss is a very competent man, a man whom we promoted to the leadership of a group up there and who did very fine service. He is a man that we could well afford to make a permanent member if we had the opportunity.

I think there is nothing else that I can add.

The CHAIRMAN. The committee will go into executive session.