Further Drop Expected
In Business Dealings
With Germany

WASHINGTON, Dec. 25—The United States and Great Britain
announced the conclusion of their
reciprocal trade agreement, with
the United States and Germany
united for the first time.

The State Department said the
British and new Canadian trade
pacts would be signed at the White
House at 9 a.m. Thursday. Prime
Minister Mackenzie King of Can-
da will come here for the signing
Secretary of State Hull, Mr. King
and probably the British ambassa-
dor, Sir Honore Lindsay, will speak
after the ceremony.

The Anglo-American agreement
links two countries selling 40 per
cent of the world's trade, makes the
nineteenth agreement concluded by
Secretary Hull and brings within
trade agreements about 60 per cent
of our total trade.

At the same time it has the effect
of excluding Germany further from
trade with the country and deepens
the abyss between the Reich and the
United States.

1,000 Concessions Made

Officials estimate that about 1,500
tariff concessions are granted by
both sides in the Anglo-American
agreement. Since Germany is on
the United States economic blacklist
because she discriminates against
American trade, she will not be en-
abled to share in the tariff reduc-
tions granted Great Britain by oth-
er nations enjoying most-favored-
nation treatment from this govern-
ment, and is thereby unable to do.

"Trade between Germany and the
United States, which has already
decreased considerably in late,
may experience a further drop. In a
sense, the new pact is considered Hull's
answer to the challenge presented
by Germany's trade policies, such as
barter deals.

Reich May Recall Envoy

Rumors reached the capital Wed-
sday that the German ambassa-
dor, Hans Dingelott, might be or-
dered back to Berlin by his govern-
ment as a protest against President
Roosevelt's declaration that Ger-
many's treatment of minorities was
unbelievable in a twentieth century
socialism. These reports were unconfirmed by American or Ger-
man sources here.

It was announced at the White
House Wednesday that Mr. Roose-
velt's remarks applied to treatment
of Catholics in the Reich as well as
Jews.

Stephen Early, presidential secre-
tary, said:

"The president's statement was
meant for the press as a rather
unusual and firm statement as to Jew-
ish Nazis, but it refers to the Cathol-
icism situation, too."

FDR Stand Backed

Several members of Congress and
officials issued strong statements
against backing Mr. Roosevelt's
stand Wednesday. Senator Logan
D. Y. (Sp) suggested that American
unions and European democracies
"contract" Hitler's government as
"the only way to bring a crazy man
back to sense."

The British part is by far the most
numerous yet concluded because of
the great volume of trade between
the two contracting parties. Be-
side the United Kingdom, the
agreement also includes the British
colonies in Northern Ireland and New-
foundland. All told, the trade be-
 tween the United States and the
British Empire, excluding Australia,
British South Africa and New Zea-
land, is around $1,200,000,000 a year.

Exploratory discussions have al-
ready been held with Australia, New
Zealand and the Union of South Af-
rica, and agreements with these de-
nations are believed likely to fol-
low.