By Mr. WOLVERTON: A bill (H. R. 12765) granting an increase of pension to Isabelle T. Dubois; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 12766) granting an increase of pension to Amanda Struble; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8409. By Mr. BOYLAN: Letter from the Erickson Engineering Co. (Inc.), New York City, N. Y., favoring House bill 9921; to the Committee on Expenditures in the Executive Departments.

8410. Also, resolution adopted by the Intercoastal Lumber Shippers Association, New York, N. Y., opposing Senate bill 4491; to the Committee on Ways and Means.

8411. Also, resolution adopted by the Steuben Society of America, New York City, N. Y., opposing House bill 378, providing for a permanent court of international justice, etc.; to the Committee on Foreign Affairs.

8412. By Mr. CRAIL: Petition of William Eric Fowler, chairman Los Angeles County Republican Central Committee, urging that Congress amend the Wagner relief bill so that the Reconstruction Finance Corporation can lend money to persons and corporations holding contracts of States and municipalities for public improvements, as well as to the municipalities themselves for this purpose, and that such loans may be made for a period of 20 years; to the Committee on Banking and Currency.

8413. Also, petition of Howard W. Marsh, sr., proposing that the Reconstruction Finance Corporation be authorized to finance small business corporations; to the Committee on Ways and Means.

8414. By Mr. LINDSAY: Petition of Mark Graves, director of the budget, Albany, N. Y., urging support of the McCormick amendment to section 621 of the new revenue act; to the Committee on Ways and Means.

8415. Also, petition of S. J. Gellard, station WLTH, Voice of Brooklyn (Inc.), Brooklyn, N. Y., urging speedy action on passage of Sirovich copyright bill and Chindblom amendment; to the Committee on Patents.

8416. Also, petition of W. G. White, New York City, opposing increased governmental expenditures; to the Committee on Economy.

8417. Also, petition of American Manufacturing Co., Brooklyn, N. Y., favoring the reduction of governmental expenditures; to the Committee on Economy.

8418. By Mr. RUDD: Petition of New York Flour Club (Inc.), New York City, favoring the repeal of the agricultural marketing act and the eighteenth amendment, thereby aiding the farmer in marketing his surplus crops of grains, increase revenue, and give further employment to industry; to the Committee on the Judiciary.

8419. Also, petition of Mark Graves, director of the budget, State of New York, Albany, N. Y., favoring the McCormick amendment to section 621 of the new revenue act; to the Committee on Ways and Means.

8420. Also, petition of S. J. Cellard, station WLTH, Voice of Brooklyn, N. Y., favoring the passage of the Sirovich copyright bill; to the Committee on Patents.

8421. By Mr. YATES: Petition of T. J. Murray, 1030 Nineteenth Street; H. M. Farrel, 1300 Fifteenth Street; and other citizens, of Rock Island, Ill., urging reduction of Federal expenditures; to the Committee on Appropriations.

SENATE

WEDNESDAY, JUNE 22, 1932

(Legislative day of Wednesday, June 15, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Jones	Robinson, Ind.
Austin	Couzens	Kean	Sheppard
Bankhead	Davis	Kendrick	Shortridge
Barbour	Dickinson	King	Smoot
Barkley	Fess	La Follette	Stephens
Bingham	Fletcher	McGill	Thomas, Okla.
Black	Frazier	McKellar	Townsend
Blaine	George	McNary	Trammell
Borah	Glenn	Metcalf	Tydings
Bratton	Goldsborough	Moses	Vandenberg
Broussard	Hale	Norbeck	Wagner
Bulkley	Harrison	Norris	Walcott
Bulow	Hastings	Nye	Walsh, Mass.
Byrnes	Hatfield	Oddie	Walsh, Mont.
Capper	Hawes	Patterson	Watson
Caraway	Hayden	Pittman	
Cohen	Hebert	Reed	
Connally	Johnson	Robinson, Ark.	

Mr. FESS. I desire to announce that the following-named Senators are detained in a meeting of the Committee on Claims: The Senator from Nebraska [Mr. HOWELL], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Oregon [Mr. STEIWER], the Senator from Kentucky [Mr. LOGAN], the Senator from Iowa [Mr. BROOKHART], and the Senator from Maine [Mr. WHITE].

The VICE PRESIDENT. Sixty-nine Senators having answered to their names, a quorum is present.

CONSTRUCTION OF HIGHWAY, UNITED STATES AND CANADA (S. DOC. NO. 121)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of State for the "Commission on Construction of Highway, United States and Canada, 1931 and 1932," which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

OGLALA BOARDING SCHOOL, PINE RIDGE RESERVATION, S. DAK. (S. DOC. NO. 122)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation in the amount of $65,000 for the Department of the Interior, Bureau of Indian Affairs, fiscal years 1932 and 1933, for replacement and repair of buildings and equipment destroyed or damaged by cyclone at the Oglala Indian boarding school, Pine Ridge Reservation, S. Dak., which with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

LAW ENFORCEMENT IN THE TERRITORY OF HAWAII

The VICE PRESIDENT laid before the Senate the report of a joint committee of the Legislature of the Territory of Hawaii, and adopted by the legislature thereof, pertaining to a study made by the said joint committee of legislation introduced in the Senate in accordance with recommendations contained in a report submitted by the Attorney General (pursuant to S. Res. 134, requesting a report upon the administration and enforcement of the criminal law of the Territory of Hawaii and upon the desirability of changes in the organic law), and recommending, among other matters, the appointment of a congressional committee to make a complete investigation of the government of the Territory, the administration of civil affairs and criminal law, the advisability or inadvisability of making changes in the organic act, etc., which was referred to the Committee on Territories and Insular Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from the Consolidated Committee of Fourteen Russian National Organizations in California, San Francisco, Calif., remonstrating against the recognition of the Soviet Government of Russia, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted at a meeting of the Committee for the Defense of Political Prisoners, Boston, Mass., relative to the case of Edith Berkman, alleged to be held a prisoner for many months in connec-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

tion with action of the Immigration Bureau, which was referred to the Committee on Immigration.

He also laid before the Senate a letter in the nature of a petition from Louis King, assistant secretary of the restricted Creek Indian Tribe, Wetumka, Okla., praying for the passage of the so-called Frazier bill, being the bill (S. 3509) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma, which was referred to the Committee on Indian Affairs.

He also laid before the Senate the petition of the Altoona (Kans.) Home Missionary Society, praying for the passage of legislation for the investigation and regulation of the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the sixteenth annual convention of the Wyoming Stock Growers' Association, favoring the passage of legislation transferring in fee simple the remaining public lands in Wyoming to the State, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate a resolution adopted by members of the Municipal Council of Gigaquit, Province of Surigao, P. I., favoring the passage of the so-called Hare bill, or a similar measure, granting independence to the Philippine Islands, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the County Board of Supervisors of Dane County, Wis., favoring the immediate passage of legislation for the cash payment of adjusted-compensation certificates (bonus) of World War veterans, which was ordered to lie on the table.

He also laid before the Senate a telegram from Mabel Reiss Barstow, Washington, D. C., stating "Please before dropping efficient married women from the Government pay roll weed out those who are incompetent," etc., which was ordered to lie on the table.

He also laid before the Senate a telegram from Walter E. Quenstedt, department commander, Veterans of Foreign Wars, Department of Maryland, Annapolis, Md., stating "Resolutions adopted thirteenth annual encampment Veterans Foreign Wars now in session in Annapolis, Md., urge immediate action and passage of H. R. 8173, amendment World War insurance act," which was ordered to lie on the table.

He also laid before the Senate telegrams in the nature of petitions from the Anchor Building, Savings and Loan Association, by Clarence T. Rice, its president, and the Gibraltar Building, Loan and Savings Association, both of Kansas City, Kans., praying for the prompt passage of legislation providing a home loan banking system, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Commonwealth Club of Minnesota, Minneapolis, Minn., favoring the immediate passage of legislation making a substantial appropriation for combating the grasshopper plague in the Northwest, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Council of the City of Chicago, Ill., protesting against the passage of the so-called Garner post office and relief measure, which was ordered to lie on the table.

He also laid before the Senate a letter from Frank H. Tredway, of Union City, N. J., advocating, as a measure to help Federal finances, the voluntary placing of 4-cent stamps instead of 3-cent stamps on first-class postal matter, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Council of the City of Rochester, N. Y., favoring the passage of legislation whereby the Reconstruction Finance Corporation may provide financial aid for the purpose of expanding employment in industry and the inauguration of income-producing works of public and private character, etc., which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Council of the City of Streator, Ill., favoring the passage of legislation authorizing a bond issue of not to exceed $5,000,000,000 for the purpose of financing municipal and public improvement projects so as to aid employment, which was ordered to lie on the table.

He also laid before the Senate a telegram and a letter in the nature of petitions from Mrs. Benjamin F. Neill, president of Capital Post, No. 1, American Legion Auxiliary of Topeka, Kans., and the Military Order of the World War, signed by Edwin S. Bettelheim, jr., adjutant general, Washington, D. C., praying for the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

He also laid before the Senate numerous telegrams and papers in the nature of memorials from sundry citizens and organizations of the District of Columbia, Pennsylvania, Massachusetts, Rhode Island, New Jersey, New York, California, Ohio, Maine, North Carolina, Connecticut, and Wisconsin remonstrating against the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

Mr. VANDENBERG presented a petition, numerously signed by Federal employees, pointing out that employees of the Bureau of Engraving and Printing do not receive any sick leave, and praying that in the so-called economy bill now pending they be granted either annual leave or sick leave for 30 days, which was referred to the Committee on Appropriations.

Mr. WALSH of Massachusetts presented papers in the nature of petitions from 500 citizens of the State of Massachusetts, praying for the modification of the Volstead Act and the repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

He also presented letters in the nature of petitions from 60 citizens of the State of Massachusetts praying for retrenchment in governmental expenditures and the balancing of the Budget, which were ordered to lie on the table.

He also presented a resolution adopted at a meeting of the Committee for the Defense of Political Prisoners, Boston, Mass., relative to the case of Edith Berkman, alleged to be held a prisoner for many months, in connection with action of the Immigration Bureau, which was referred to the Committee on Immigration.

He also presented a resolution adopted at a meeting of the Committee for the Defense of Political Prisoners, Boston, Mass., opposing the passage of the so-called Dies bill, being the bill (H. R. 12044) to provide for the exclusion and expulsion of alien communists, which was ordered to lie on the table.

FURLOUGH FOR GOVERNMENT EMPLOYEES

Mr. ROBINSON of Indiana. Mr. President, I ask to have incorporated in the RECORD a telegram just received from Harry Estle, president of Local 130, National Federation of Post Office Clerks, Indianapolis.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

INDIANAPOLIS, IND., *June 21, 1932.*

ARTHUR R. ROBINSON,
United States Senate, Washington:

Majority of postal clerks in Indianapolis are forced to work at night, owing to volume of mail deposited in evening. Night workers should not bear double penalty of 5 per cent wage cut and furlough. Urge you vote against conferees' amendment to Senate amendment No. 61 in economy bill. Senate amendment No. 61 is satisfactory to us.

HARRY ESTLE,
President Local 130, National Federation Post Office Clerks.

REPORTS OF THE NAVAL AFFAIRS COMMITTEE

Mr. WALSH of Massachusetts, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 922. An act for the relief of John Heffron (Rept. No. 868);

H. R. 1383. An act for the relief of certain United States naval officers (Rept. No. 871);

H. R. 6334. An act for the relief of Lieut. M. A. Sprengel (Rept. No. 869); and

H. R. 6336. An act for the relief of George W. Steele, jr. (Rept. No. 870).

Mr. WALSH of Massachusetts also, from the Committee on Naval Affairs, to which was referred the bill (H. R. 6337) for the relief of Capt. Chester G. Mayo, reported it with an amendment and submitted a report (No. 872) thereon.

ENROLLED BILL PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on to-day, June 22, 1932, that committee presented to the President of the United States the enrolled bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 4922) granting a pension to Robert M. Board; to the Committee on Pensions.

By Mr. HASTINGS:

A bill (S. 4923) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1889, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. NEELY:

A bill (S. 4924) granting an increase of pension to Sarah E. Pratt; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 4925) to reduce the rate of interest on loans upon adjusted-service certificates and to give such certificates a loan value immediately upon the issuance thereof, and for other purposes; to the Committee on Finance.

VETERANS' RELIEF

Mr. ROBINSON of Indiana. Mr. President, I ask unanimous consent to have incorporated in the RECORD four 10-minute speeches made over the radio on May 25, 1932, in this city, by the department commanders of the four major veterans' organizations, namely, the United Spanish War Veterans, the Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans of the World War.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

REMARKS BY MRS. HELEN EVANS O'NEILL, COMMANDER OF GENERAL W. W. ATTERBURY CHAPTER, DISTRICT OF COLUMBIA DEPARTMENT, DISABLED AMERICAN VETERANS OF THE WORLD WAR

It is believed that this will be the first time in radio history that four department commanders of the four major veterans' organizations—namely, the United Spanish War Veterans, Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans of the World War—have broadcast on the same program.

The spirit of cooperation shown throughout the past year by these commanders is again manifested by their appearance here to-night.

It gives me great pleasure at this time to introduce to you Maj. Samuel J. McWilliams, department commander of the District of Columbia Department, United Spanish War Veterans.

ADDRESS OF MAJ. SAMUEL J. M'WILLIAMS, DEPARTMENT COMMANDER OF THE DISTRICT OF COLUMBIA DEPARTMENT, UNITED SPANISH WAR VETERANS

As the guest of the Disabled Veterans of the World War, I feel highly honored. However, it is not for myself that this honor is extended, but for and to that splendid group of American veterans who fought and won one of the most decisive wars in the history of mankind, before many who now hear my voice were conscious of mundane affairs. I refer to the soldiers of ninety-eight and to America's war with the Kingdom of Spain. I say that was a decisive war because the issues submitted to the arbitration of that armed conflict has never since been raised on the American Continent, and no one has ever questioned who won the war. I like to refer to that epochal event as the second discovery of America; and, by a singularly strange and grim irony of fate, Spain was the discoverer on both occasions. But it was not Spain alone who, out of that conflict which drove Old World tyranny from the Western Hemisphere and proclaimed a new world power of the first magnitude, discovered something new. Our own people discovered in themselves a united people, knowing no North, no South, no East, no West, with renewed devotion to those high ideals made sacred by the blood of our fathers. It was indeed a grand discovery, and none can claim so great a share in the supreme joy afforded by that revelation than we sons of the North who shared the hardship in camp and in field with the sons of the South and found their loyal zeal to Old Glory equal in every respect to our own. And Europe also discovered something. She discovered a new world power with high ideals, willing and able to make good that immortal pronouncement in the American Declaration of Independence that the power of government may only be exercised at the consent of the governed, and to enforce, if need be by armed power the Monroe doctrine, never since questioned. But time will not admit our attempt to further recount even in part the many blessings to ourselves and to humanity resulting from that conflict, or to mention the individual acts of valor displayed or hardship endured by those who took part in it, although their memories inspire and the temptation is great.

I should like to dwell again in tender memory with the immortal Roosevelt, the gallant Lawton, the invincible Dewey, Fitz Hugh Lee, Joe Wheeler, the spirited Funston, and a hundred other heroic souls whose deeds of valor have been preserved in history and will remain as a priceless heritage to generations yet unborn.

> "There are moments, I think, when the spirit receives
> Whole volumes of thought on its unwritten leaves.
> There are moments that glow with an angel's fair face,
> There are hours that throb with the hope of the race."

We can not stop to do further honor to these heroes or to those other sainted souls who gave their lives in that conflict; their memories are tender and sacred, but the living present cries to us for the solution of present-day problems which threaten our very existence as a free Republic and to reduce our Nation to the state of helpless China, which to-day is at the mercy of a much smaller nation but one which has at all times been prepared for aggressive action against its weaker neighbor. Again the voice of the pacifist is heard seeking to destroy our Army and our Navy under the false plea of economy. These modern Copperheads fought the efforts of our Government during the days of the World War as persistently and as viciously as did their kind of Civil War days, which hampered our Army and so sorely distressed President Lincoln. Not satisfied with the destruction they have wrought to our pitifully small Army and to our Navy, which must protect us against future wars if wars are to be averted, they direct their vicious shots toward the men who won our past wars and demand the repeal of all veteran legislation which undertakes only in part to equalize their economic status with that of the slacker who remained out of the war and profited at the expense of the Army. While the veterans bared their breasts to German steel and "took it on the chin" in the blood-soaked fields of Flanders those who profiteered in blood now seek to deny to the distressed of them all assistance except and in case they have first been reduced to abject poverty. In respect to both of these issues must their challenge be met "head on." From the point of efficiency our Army and Navy must be strengthened to second to none in the entire world, if further wars are to be averted; and the veterans who won our past wars, and their dependents, must be provided for against want when weakened by age or infirmities, if we are to preserve our self-respect as a nation. It is a strange cry that those of great wealth now make against the man who served in the trenches of Flanders at $30 per month, less insurance and Liberty-bond deductions, while they amassed great fortunes on abnormal profits from the war. No question was raised as to the credit of our Government or its ability to pay so long as the profits flowed into their coffers; but now that the flow has stopped and adjustments are in order they shudder in fear of greater taxes and cry "Treasury raiders" when friends of the Nation's defenders in Congress propose legislation intended to smooth the economic paths of their most unfortunate.

It would be far more consistent with the true situation, and more in keeping with the spirit of equality and justice, if men of great wealth would offer up prayers to the fates to preserve us against further wars, and to draft memorials of thanksgiving and praise to the veterans for preserving them from the demands of German tax collectors, which would have been their lot but for the sacrifices of these men, many of whom are now and evermore will remain helpless invalids. The picture which we now see in Germany, of the tax-burdened citizen turning over his crops and his cash as tribute to a conquering foe, and the misery attending, is mild in comparison with what would have been the plight of the American people had Germany won the war and Kaiser Bill made good his threats to "take it out on America."

It is these enemies of our country, happily in the minority but dangerous because of their wealth, and the doctrines they stand for, that we veterans of all wars must face in these times of peace, and in our contest with them we solicit the assistance of all true patriots who have never failed us in the past.

Mrs. O'NEILL. It is again my pleasure to introduce to you another department commander—Charles B. Jennings, department commander, District of Columbia Department, Veterans of Foreign Wars.

ADDRESS OF CHARLES B. JENNINGS, COMMANDER OF THE VETERANS OF FOREIGN WARS OF THE UNITED STATES, DEPARTMENT NO. 1, DISTRICT OF COLUMBIA

Good evening, everybody. You have just heard the able remarks of Comrade McWilliams, of the United Spanish-American War Veterans, who has told you something about that wonderful organization of his. You will in the course of the evening hear from the representatives of the other three major groups of war veterans, namely, Commander Fraser, of the American Legion; Commander Turner, of the Disabled American War Veterans; and myself in behalf of the Veterans of Foreign Wars of the United States. This program is given to you through the courtesy of station WJSV, a station that always has our interest at heart, and through the endeavors of Mrs. O'Neill, commander of General W. W. Atterbury Chapter of the Disabled American War Veterans. As a result of her efforts, the four veteran groups have been brought together for the first time in a program of this nature.

Fundamentally speaking there is little difference in the various groups of veterans. The difference appears mostly in our eligibility requirements. Commander McWilliams represents that group of men who served in the stirring days of '98 in the war with Spain my good friend and comrade, Fraser, represents those whose services are identified with the World War; my good friend and comrade, Turner, represents that group who were injured or wounded in the late World War, while I have the honor to represent a cross section of American veterans—men who have served their country in time of war from the days of '48 up to and including the recent crisis in China. Our eligibility requirements are not limited to any particular war or period of our history; but we do require that one must have an honorable discharge from the Army, Navy, Marine Corps, or Coast Guard, or still in active service in the aforesaid organization with a record of foreign service in time of war or during an expedition recognized by the War or Navy Department by the issuance of a campaign badge. Hence the V. F. W. represents a veritable cross section of America's fighting men. Until death took the last surviving member a few months ago, our ranks contained those who served with Taylor in the Mexican War of '48. We still boast of those who served with Grant and Lee in the days of '61; those who followed the flag in the war with Spain, storming the heights of San Juan and El Caney; or with Dewey at Manila Bay. Men who followed Chaffee before the walls of Peking during the Boxer uprising; gobs and marines who landed at Vera Cruz in 1914; cavalry men who followed Pershing into Mexico; men who participated at Cantigny, Chateau-Thierry, St. Mihiel, the Argonne, and in Siberia during the World War; marines and blue jackets who were under fire in Nicaragua, Puerto Rico; and men who defended American lives during the very recent China trouble. Our oldest member is around the century mark, and our youngest a mere lad of 17. We call ourselves the evergreen organization because of the fact that just so long as there are wars, just so long will there be a V. F. W. dedicated like our sister organizations to the principles of Americanism, pledged to promote comradeship among our members, obligated to care for needy comrades in distress and to provide for their widows and orphans, and sworn to protect the United States of America from her enemies, whosoever.

One of the cardinal objectives of our order, and of all veteran groups, is to preserve the history and the memory of our dead, and special emphasis will be laid upon that phase of our endeavors in conjunction with all veterans next Monday—Memorial Day. Prior to that day the Veterans of Foreign Wars will live up to their slogan of remembering the dead by helping the living. We will launch here in the District of Columbia our annual buddy-poppy sales. You see there buddy poppies in the hands of our representatives Friday morning. You can identify them by the little green copyright label bearing the legend, "Buddy poppy made in United States hospitals." These poppies were made by disabled veterans in the Government hospitals, who will be benefited by the proceeds derived from the sale thereof; for a part of the proceeds will go to those who made them, giving them the opportunity to make a little spending money to purchase a few little luxuries they are now denied, or to send to their families who are deprived of their services, much-needed financial help. A part of the proceeds will go to support the Veterans of Foreign Wars National Home for the widows and orphans of deceased comrades, located at Eaton Rapids, Mich. This home is sponsored by the Veterans of Foreign Wars and supported by that organization. It is the only institution of its kind in America to-day. Although the Government provides a home for the old soldier, it remains for the Veterans of Foreign Wars to provide one for widows and orphans. The remainder of the proceeds will go to the relief of veterans and their families here in the District of Columbia. The President of the United States, the District Commissioners, and many others have indorsed this sale and we hope you will by purchasing a poppy. On Memorial Day the Veterans of Foreign Wars will join with the other veteran groups in carrying out the program of the day under the auspices of the few surviving members of the Grand Army of the Republic, an organization revered and respected by all of us. These exercises will culminate in services in the Amphitheater of the Unknown Soldier, whose tomb is a national shrine to-day. The unknown soldier, it is true, is a product of the World War; but in the short space of time elapsing since his interment in Arlington Cemetery, he has become symbolic of American war dead, irrespective of the war in which they died or the manner in which they left our ranks.

It is fitting, therefore, at this time to recall the burial of this unknown hero. Many of my listeners this evening were no doubt spectators to the solemn ceremonies surrounding that event. You will recall that scarcely 10 years has elapsed since his body lay in state in the rotunda of our National Capitol, from whence it was carried to its present resting place. Many of you will recall the funeral procession of that day. Leading the procession and in humble homage there walked a President of the United States. By his side there marched the Commander in Chief of America's Expeditionary Forces, John Pershing. Behind these two dignitaries there trudged members of the Cabinet, the judiciary, of Congress, and high officials in Government life. Then came a police patrol, and then in a horse-drawn vehicle rode America's war President, then a troop of cavalry, and then on the caisson that had borne Lincoln, Grant, Dewey—and later Harding—rode the flag-bedecked casket containing the immortal remains. In the caisson's wake marched representatives from the various military and civic orders. On either side of Pennsylvania Avenue thousands stood and watched, through tear-dimmed eyes. Slowly and surely the column serpentined its way to Arlington Cemetery and there at a selected spot halted, that final tribute might be paid. At this spot the crowned heads of Europe, through their proxies, paid their nations' tribute; at this spot the rulers of the Asiatics, through their proxies, paid their nations' tribute; at this spot the Presidents of the Latin Republics, through their proxies, paid their nations' tribute. At this spot a President of the United States, in the name of the American people, eulogized. A firing squad fired a soldier's salute, and a trumpeter sounded a soldier's farewell, and as the last clear clarion notes of the bugle echoed and reechoed over the hills of Virginia, the casket was lowered into a grave. A grave—it is nothing but a hole in the ground, that is filled again; it is as it was; but then a cross is nothing but two sticks, a crown but a band of metal, a flag but a stained piece of cloth. We take none of these for their material worth, but for their symbolic value. Hence the cross is symbolic of Christianity, the crown of sovereignty, and that dye-stained old flag with its azure blue and its argent white and its crimson red, is symbolic of the grandest Nation that ever saw the rising or the setting of the sun.

That grave in Arlington is to America what Westminster Abbey is to England, what the pyramids are to Egypt, and what Napoleon's grave is to France—a place for pilgrimage, a spot for worship. And who lies in that grave to make it so hallowed, we do not know; it is to be hoped that we shall never know, for to know would be only to detract from the sacred sentiment that now enshrouds the spot. He might have been a degenerate of the Barbary coast, or he might have been from the élite of Park Avenue. He might have been just released from penal institutions, or he might have been a minister of the gospel. He might have been a free son of the West who quit the logging camp or cattle trail to give his all for his country, or he might have been one who occupied his own small sphere in a Government office. He might have been yellow; he might have been red; he might have been black; or he might have been white; but whoever and whatever he was, he plied one trade worthy of plying—the trade of a soldier—and he died one death worth dying, the death of the soldier. He died that men might live, and we know that he was called by the Commander of All Battles and bivouacked on His right. We know that his body lies in its sacred shrine, symbolizing the deeds of those whose services will never be forgotten, and he is to us veterans—veterans of all wars—a constant reminder of the fact that we are dedicated to the principles for which he died—the principles of America, of Washington—life, liberty, and the pursuit of happiness; the principle of Lincoln—with malice toward none, with charity for all; and the principle of Roosevelt—one God, one flag, and one country.

Mrs. O'NEILL. You have heard the splendid addresses of two of the District of Columbia department commanders, and it is hoped that you will enjoy the remarks of the following two.

I now desire to introduce to you Fred G. Fraser, District of Columbia department commander, the American Legion:

ADDRESS OF FRED G. FRASER, DISTRICT OF COLUMBIA DEPARTMENT COMMANDER, THE AMERICAN LEGION

Comrade Commander O'Neill, my associate department commanders of the District of Columbia, comrades, friends, before proceeding with my part in this harmonious gathering, permit me to thank our charming hostess, Comrade O'Neill, of the Disabled American Veterans, for having arranged this program and the authorities in charge of station WJSV for their courtesy.

The American Legion is on record in the Halls of the Congress and with the American people in its care of constructive legislation as regards the disabled veteran, the widow and orphan, national defense, veterans' preference, and hospitalization. For several months past the public at large has heard of the American Legion's activity on behalf of the unemployed. Newspapers throughout the land have not only cooperated with us, but have commended our constructive leadership in this worthy cause.

The American Legion's stand for national defense does not mean to imply that it believes in war; on the contrary, it emphatically means that those who served their country in time of war know the horrors thereof, and unless our country is adequately prepared, another conflict is certain to follow.

We hear much talk these days of Government expenditure on behalf of veterans. We must realize that these expenditures are a direct result of our war engagements and the responsibilities

that such conflicts brought upon us. We all recall the stirring days of 1917 with the bands playing, the flags waving, the cheering and the sudden outbursts of oratory, which promised to those brave lads going to the defense of their country everything that a grateful Government was able to give. And to-day in time of peace, those who defended their country in time of war are heralded by some unscrupulous individuals and advertised to the public as Treasury raiders. Yet we must realize that the obligations of war do not cease with the signing of an armistice, but continue on for generations. Preparedness in time of peace does not mean that we are aiming at war, but it does mean the ultimate saving of human life, useless and unnecessary expenditures and the safeguarding of our shores against a foreign foe. We talk to-day of a movement called economy that will practically disarm our country and leave us open for attack. Other countries are not disarming, other nations do not want war, but they believe that the best way to assure peace is by being adequately prepared. Our national defense at the present is one of the weakest in the world and the further curtailing of appropriations for the Army and Navy will leave us exposed to the expenditure of billions, being unprepared as we are, and in the event that we are called upon to defend our land against a foreign invasion. A few months ago, newspapers throughout the country carried glaring headlines informing us that Japan had invaded China. We know that Japan is small in regard to area and population in comparison with China. Had China been prepared for such a crisis, she would have been spared the great loss in human lives. France, in the late political battle, placarded the entire country with the following phrase: "France has experienced invasion four times in the last 100 years and must not disarm without being assured of its security." Another prominent poster blazed out: "Frenchmen, remember that my predecessor of 1914 was a victim of facing the enemy insufficiently armed."

Veterans' organizations claim that the sacrifice of human life in the late World War, which numbered 10,000,000 dead, 19,000,000 wounded, 9,000,000 orphans, 5,000,000 widows, would have not taken place had the countries been prepared and sufficiently armed. Therefore, we veterans represented here this evening call upon you to assist us in every way possible to prevent further disarmament by the United States and to make certain that every avenue of preparedness to secure peace shall be opened.

In 1917 a proclamation was declared that we were in a state of war and that all citizens would be called upon to serve their country toward a victory that would make the world safe for democracy and peace for all time. To-day, however, we have equally as important a crisis—we all know what it is—unemployment. Are we facing this test or are we shrugging our shoulders and leaving it to the other fellow to do? My comrades and friends, have you ever been without employment? Do you realize the hardships that it brings to a home? Oh, the first few weeks perhaps slip by like a holiday, but as weeks lengthen into months it is harder to smile. Shoulders bend and heads bow. Gradually self-respect is lost and faith in God and man dwindles. If the unemployed person is married, he becomes obsessed with the idea that even his own family no longer respects him. This unemployment situation is indeed a terrible calamity. These unemployed citizens do not want charity, they want work. In the past we have realized and appreciated too little the benefits of labor, forgetting that it is one of our greatest blessings. This Government of ours, of the people, by the people, and for the people, can not afford to leave thousands of its citizens without employment. Such a condition not only breaks down the morale of the country but it impairs the health of the future generations.

Just a word at this time to Members of the Congress who believe that a move should be made to cut Government salaries, prevent the filling of vacancies, and the refusal to recognize justified and well-earned promotions. We veterans believe that such a step would tend to break down the morale of the employees in the Government service. It would surely mean a step backward instead of forward. The masters of industry and capital must assume responsibility in meeting this crisis by refusing to cut prices on commodities—they should reassure their employees that the bottom has been reached and that employment is guaranteed and secure. By so doing the element of fear would be destroyed. Can't Members of the Congress realize that their movement to cut Government salaries is most harmful? Can they not realize that it is a direct challenge to all employers to do the same? Can they not see that when the spending power of a community, State, or Nation is decreased that it retards industry?

A reduction in salaries would necessarily mean that the standards of living would likewise be lowered, and how in the name of common sense can we buy more when the power to buy is being constantly decreased, and how can a Government maintain law and order when appreciation of human values is lost in the interest of a false movement known as economy?

Can not the united veteran citizenry of the District of Columbia call upon you for assistance at this time, as you called upon us in 1917? What do we wish you to do? Write your Congressman and Senator; tell them that you are for preparedness for America's sake and that you are opposed to a cut in Government employees' salaries, because such an act would tend to destroy the fine standards of the American citizenry.

Mrs. O'NEILL. Now, last but not least, I desire to introduce to you my own commander, Lee T. Turner, department commander District of Columbia Department, Disabled American Veterans of the World War.

ADDRESS OF COMMANDER LEE T. TURNER, DEPARTMENT COMMANDER DISTRICT OF COLUMBIA DEPARTMENT, DISABLED AMERICAN VETERANS OF THE WORLD WAR

Ladies and gentlemen of the radio audience and Mrs. Helen Evans O'Neill, first woman chapter commander of the Disabled American Veterans, it is doubtful if at any time since the armistice there has been such a mass of propaganda in the public press and over the air on the matter of veterans' relief as has been placed before the public in the past few months. In other words, the men who are to-day suffering because of the part they individually played in winning the World War have been suddenly thrown into a distinctly defensive position.

It will no doubt be news to the listeners to know that the first war risk insurance law was enacted before the First Battle of the Marne in 1914, or almost three years before America entered the war. This was in the form of protection to Americans in the crews of ships endangered by submarine activities. From that day on there has not been a session of Congress during the past 18 years that has not amended in some way this basic act. In other words, the original law has been changed and altered and patched until it contains many features that should be smoothed out.

However, the position of the Disabled American Veterans is that, instead of Congress appointing a committee to hold executive sessions and then bring out from behind closed doors bills that overnight would deprive hundreds of innocent disabled men of benefits, amendments to be made should come from deliberate across-the-table discussion between Members of Congress, officials of the Veterans' Administration, and the representatives of the service organizations. If such procedure is not to be followed and Congress pursues a wild chase to effect economies, it is manifest that in the actual operation of any new enactments damage will be done to the very persons Congress has been endeavoring to protect.

The public should not be beguiled into believing that $1,000,000,000 a year is going into the pockets of the World War men. If such a condition, or approximately such a condition, existed, there might be justification for the use of the expression "Treasury raiders" to this class of Americans whose patriotism was amply demonstrated not so many years ago. This billion dollars is the total sum which the Government uses in a year to pay every cent of administration salaries, maintenance of institutions, pensions from the War of 1812 up to and including peace-time payments of pensions to men who served in the military or naval forces when the country was not at war.

It is not my intention to bore this audience by a recital of tiresome statistics but, if anyone who is listening in is sufficiently interested to analyze the costs of relief covering all the wars of more than a century and will address me at the office of the District of Columbia Department of the Disabled American Veterans in the Transportation Building, I will be pleased to forward to him or her a copy of the annual report of the Administrator of Veterans' Affairs.

While it is conceded that the veterans' relief costs have run into high figures, it is believed a calm study of where the money goes would go far to dissipate the effect of the aggressive propaganda which has gone far toward putting the former service men in a most unenviable plight during these days of national depression.

But, getting down to the World War, there are three separate and distinct classifications of the men who served. There is the able-bodied veteran, who constitutes the vast majority of the former service men of the country to-day, and to him the Government has granted only an adjusted-service certificate payable in 1945. This certificate is in no way, shape, or form a bonus, but merely an adjustment between the pay he received while a soldier and the average pay of the average American during war times. Even the fact that the soldier had his meals and uniform paid for was deducted, and he is allowed the difference between his Army pay and a dollar a day for domestic service and a dollar and a quarter a day for foreign service. Obviously this is not a bonus but is merely a belated endeavor to adjust service pay. Up to last year there was due on these certificates about one-half of what would be due in 1945, and Congress allowed veterans to borrow up to that point. However, the point is that aside from this Congress has made no monetary allowances to the overwhelming majority of those who served. The second class of veterans are the men who served and are to-day disabled. Regardless of the cause of this disablement, if it is permanent, there is an allowance which averages about $18 per month, or a little more than 50 cents per day, as long as the ailment continues, with a top figure of $40 per month for total and permanent. The third class of veterans number a few more than 300,000 out of more than 4,000,000,000 men who were under arms. These are truthfully disabled veterans in the sense that their disabilities resulted from the war. Based upon the assumption that if there had been no war these men would not have been disabled for these particular causes, Congress and the American people have accepted the obligation of compensating these men—so far as compensation is possible—for the results of the hazards of war on identically the same principle that a commercial company would compensate a workman for a disability received in connection with his work.

The Disabled American Veterans is an organization composed exclusively of men suffering as a result of their participation in the war, and while the relationship continues most friendly and there is a mutual tie of comradeship with the able-bodied as well

as the men who once served and are now disabled, the Disabled American Veterans has made a determined stand on the matter of eligibility. Our membership is composed of service-connected disabled men, and our objective is the conservation of the rights of these men through obtaining them justice. We resent and oppose any suggestion of charity in the relationship of these service-connected cases with the Government and the people and, based on that, are opposed to the so-called pauper clause that would deprive men whose disabilities were a result of their service receiving the small compensation the Government grants them purely because they have had sufficient courage and intelligence to fight his way back into civilian pursuits in spite of war handicaps.

Just as the Disabled American Veterans is extremely strict on the matter of eligibility for membership, so do our officers endeavor to protect the prestige that the organization has built up during the past decade in its relationship with the public and Congress. Appearing before a committee the other day, the Hon. JOHN E. RANKIN, chairman of the Veterans' Committee in the House, made this public statement: "I say without hesitation and without fear of successful contradiction by anybody, that there is no organization that has done more for them or worked harder to secure just, adequate, and equitable relief for the disabled veterans of the World War and their dependents than the Disabled American Veterans." Having received this unqualified endorsement from the head of the committee handling veterans' affairs in Congress, Gen. Frank T. Hines, administrator, then made this statement concerning our cooperation on the matter of policies with the agency set up for distribution of relief: "I desire to testify as strongly as I can to this organization's efforts in assisting the disabled man in many ways." Asked by a Congressman whether the Disabled American Veterans had been an asset to the Government, General Hines said, "Yes; I say that unqualifiedly. I think they have been and they are of assistance to us now."

Within the next few days it is expected that the Senate Economy Committee will bring in its report to that branch of Congress and, if rumors may be credited, there will be proposed large reductions in the outlay for veterans. When this was tried in the House a couple of weeks ago it was possible to defeat the plan; and if the Senate committee recommends in its report that there be a curtailment of relief to service-connected cases, it will find the Disabled American Veterans mobilized to its fullest extent to repel any such injustices. There could unquestionably be vast savings in different governmental activities, and there might be savings here and there in the Veterans' Administration; but if the effort is made to have America break her solemn pledges to care reasonably for those who are to-day disabled because of the part they played in the war, the Disabled American Veterans will oppose it to the last ounce of the organization's strength.

Mrs. O'NEILL. Now, ladies and gentlemen of the radio audience, you have heard the program which, no doubt, is the first ever given to the public over the radio, and we sincerely hope that you have enjoyed it. Thank you.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program.

Mr. ROBINSON of Arkansas. Mr. President, before the Senate recessed yesterday afternoon, some discussion was had of a proposal to limit debate in order that some decision may be reached touching the bill within a reasonable time. I desire now to submit a request for unanimous consent, namely, that after the hour of 7 o'clock p. m. to-day no Senator shall speak more than once nor longer than 10 minutes on the bill or any amendment thereto.

The VICE PRESIDENT. Is there objection?

Mr. LA FOLLETTE. Mr. President, I would like to explain to the Senator from Arkansas the situation that confronts me. I have been working for some time on what I believe is a very important proposal in connection with the bill. Under orderly parliamentary procedure, it being practically in the nature of a substitute for the committee amendment, it can not be offered until all amendments to the text of the committee amendments are disposed of. There have been, as the Senator knows, a great many of those amendments offered each day, and the debate on those amendments has consumed the time of the session. If I were to agree to the Senator's request, not knowing how many individual amendments there are to the text of the committee amendment, and judging from our experience on previous days in the consideration of the bill, the entire time might be exhausted on those individual amendments and I would have to present my proposal under the 10-minute limitation proposed in the Senator's request. Obviously I can not do that.

Mr. ROBINSON of Arkansas. Mr. President, since the Senator from Wisconsin implies an objection to the request which has been stated, I ask the privilege of submitting another, namely, that on amendments to the text of the bill no Senator shall speak more than once nor longer than 15 minutes.

The VICE PRESIDENT. Is there objection?

Mr. FRAZIER. Mr. President, on yesterday I made a short statement in regard to a farm bill that is on the calendar and has been there for more than a month. Unless I can get some understanding as to when it shall be taken up separately I propose to offer it as an amendment to the pending bill. For that reason, and until I find out a little more about it, I must object to the proposed unanimous-consent agreement.

Mr. ROBINSON of Arkansas. Mr. President, I understand that the Senate is not in a mood to agree to a limitation of debate to-day. I ask unanimous consent that after the Senate meets to-morrow no Senator shall speak more than once nor longer than 15 minutes on the bill or upon any amendment thereto. I will say that if that is agreed to I shall cooperate with other Senators who may feel disposed to do it to continue to-day's session, so that it will not interfere with the amendments which it is indicated will be proposed.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. MOSES. Mr. President, I have had printed and lying upon the table several amendments to the bill, some of which are important. I have determined, however, that there is but one of the amendments which I am proposing which affects the question of policy involved in the measure. I shall offer that amendment only. I am entirely willing to accommodate myself to the 15-minute limitation suggested by the Senator from Arkansas.

Mr. ROBINSON of Arkansas. That is very kind of the Senator.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. ROBINSON of Arkansas. I yield.

Mr. McNARY. I think we all share the desire of the Senator from Arkansas for a complete and yet early decision with respect to the unfinished business. The Senator from Washington [Mr. JONES] desires to present a conference report. I have discussed the matter with him, and he is willing to withhold the report until reasonable time may be given to the further consideration of the unfinished business.

The Senator from Wisconsin [Mr. LA FOLLETTE] is entirely right in his position, namely, that he wants full opportunity to present his substitute, but he can not do so until the text of the unfinished business is perfected. Let me suggest to the able Senator from Arkansas that we run along two or three hours—say until 2 or 3 o'clock—at which time we can determine what disposition may be made of the text of the unfinished business. Then I think we can probably come to some agreement.

Mr. ROBINSON of Arkansas. Very well, Mr. President; but I wish to say before relinquishing the floor that I appreciate the attitude that has been taken by the Senator from Washington, and for my part I do not mean to impose upon him any embarrassment or serious delay in the consideration of conference reports on appropriation and other bills.

Mr. JONES. Mr. President, I wish to make a brief statement. I want to help to expedite action on the pending measure in every way possible, so that it may be disposed of as rapidly as it possibly can be; but I think I should call the attention of the Senate to the condition of the appropriation bills.

The general deficiency appropriation bill has not as yet been reported.

The Treasury and Post Office appropriation bill has not been acted upon by the Senate, although, of course, it has been acted upon by the House and has been reported to the Senate and is ready for action by the Senate. After the Senate shall pass it, of course it will have to go to conference so that the differences between the two Houses may be adjusted.

Then there is the independent offices appropriation bill, which is in the same condition.

The agricultural appropriation bill has not as yet been finally disposed of, there being some items still pending in conference.

The War Department appropriation bill is still in conference, and there has been no report on it made to either House. So also with the naval appropriation bill, which is likewise in conference.

The bill making appropriations for the Departments of State, Justice, Commerce, and Labor is still pending. The conference report is prepared and ready to be presented, but has not been acted upon by either body as yet.

As to the legislative bill, the conference report is ready to be presented to the Senate at the very first opportunity.

The District of Columbia appropriation bill is still in conference and has not been acted upon; it is necessary to adjust the differences between the two Houses in regard to that measure.

So the Senate can very well see that the great majority of the appropriation bills which are supposed to be passed by the 1st of July are still pending.

The independent offices appropriation bill is especially urgent because of the checks that have to be made out for the soldiers. There are about a million of such checks, if not more, and it takes time to get them out, and, unless that bill shall be acted upon at a very early date, a very serious situation will confront the Government.

As I have said, I want to expedite the pending bill in every way I possibly can, but the appropriation bills must be passed and put into effect before the 1st of July. Other measures can run, of course, indefinitely if it is necessary. I hope it will not be necessary; but we must press the appropriation bills as rapidly as possible.

I am willing to withhold action on some of these conference reports, in the hope that some satisfactory solution at least may be reached with reference to the bill that is now pending, but after that, if I find it necessary, I must insist as much as I possibly can on having the appropriation bills kept before the Senate until finally disposed of.

The VICE PRESIDENT. The Secretary will state the amendment offered by the Senator from Michigan [Mr. COUZENS], which is the pending amendment.

The CHIEF CLERK. On page 101, line 12, before the word "period," it is proposed to strike out the word "reasonable," and in the same line, after the word "period," to insert "not exceeding 30 years."

Mr. COUZENS. Mr. President, may I suggest that the clerk use the new print of the bill. We have on our desks a new print with the amendments which have been adopted indicated. When the clerk states amendments from the original bill, they do not correspond to the pages and lines of the new print. It seems to me that the amendments ought to be stated from the new print.

The VICE PRESIDENT. The Chair will announce that it is impossible for the clerk to use the new print. The official copy must be the copy used at the desk.

Mr. WAGNER. Mr. President, I understand that the new print was prepared only for the information of the Senate, but that, so far as the parliamentary situation is concerned, we must still use the original bill.

The VICE PRESIDENT. That is correct.

Mr. MOSES. Mr. President, that is quite right. Under the rules the amendments must be stated in their relation to the official text. I might suggest, in view of what the Senator from Michigan has just said, however, when the location in the official text has been stated that the clerk can readily tell us on which page of the new print which has been prepared for our convenience we may find the amendment.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Michigan to the amendment reported by the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on the amendment offered by the Senator from Maryland [Mr. TYDINGS] to the committee amendment.

Mr. ASHURST. Mr. President, I offered an amendment yesterday to strike out section 8.

The VICE PRESIDENT. The Chair understood the Senator temporarily to withdraw the amendment and that it was laid aside.

Mr. ASHURST. If there is no other amendment pending, then I wish to renew the amendment to strike out, if it be in order.

The VICE PRESIDENT. The Secretary will report the amendment of the Senator from Arizona.

The CHIEF CLERK. On page 112, after line 16, it is proposed to strike out section 8, as follows:

SEC. 8. (a) A commission is hereby created to be known as the Industrial Commission, and to be composed as follows: 5 Members of the Senate, to be appointed by the President of the Senate; 5 Members of the House of Representatives, to be appointed by the Speaker; and 9 other persons who shall fairly represent the various industries and employments of the United States, to be appointed by the President, by and with the advice and consent of the Senate.

(b) It shall be the duty of the commission to investigate questions pertaining to agriculture, labor, manufacturing, and business, including domestic and foreign commerce, to report to Congress from time to time, and to recommend such legislation by the various States of the Union and the Congress as will harmonize conflicting interests and be equitable to the laborer, the employer, the producer, and the consumer, and which is calculated to revive trade and promote the general welfare. Upon the completion of its investigation the commission shall submit a final report to the Congress.

(c) The commission may hold hearings and, if necessary, it may appoint a subcommission or subcommissions of its own members to make investigations in any part of the United States; and it shall have authority to send for persons and papers, to administer oaths and affirmations, and to incur necessary expenses, including expenses for clerks, stenographers, messengers, rent for place of meeting, and printing and stationery, in an amount not to exceed $50,000 per annum for the purposes of this subdivision.

(d) The commission shall cease to exist upon the expiration of two years after the date of enactment of this act. The salary of each member of the commission appointed by the President shall be at the rate of $3,600 per annum. Each member of the commission shall be allowed his actual traveling expenses.

(e) Any vacancy occurring in the commission by reason of death, disability, or any other cause shall be filled in the same manner as the original appointment.

(f) A sum sufficient to carry out the provisions of this section is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated.

Mr. ASHURST. Mr. President, I need not discuss this amendment more than to say that it proposes to strike out section 8, which provides for the creation of a commission composed of 5 Senators and 5 Representatives, who are to serve without salary, and 9 additional members, who are proposed to be paid a salary of $3,600 a year. It is also proposed to grant to this commission the sum of $50,000 for rent, clerk hire, and stenographers.

I see that the Senator from Oklahoma [Mr. GORE], the author of the provision, is not present. I understood he was to be here. So, Mr. President, I shall withhold the amendment until that Senator comes into the Chamber. I do not care to suggest the absence of a quorum, as we just had a quorum call. I have nothing more to say at the moment.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. I inquire what amendment is pending?

The VICE PRESIDENT. The pending amendment is the amendment in the nature of a substitute offered by the Senator from Maryland [Mr. TYDINGS]. The Senator from Arizona had an amendment striking out section 8, which he has temporarily withdrawn.

Mr. LA FOLLETTE. Mr. President, if there be no further textual amendments, in view of the absence of the Senator

from Maryland, I ask unanimous consent that his amendment may be laid aside without prejudice, and I will then be prepared to go forward with the amendment I desire to offer.

Mr. WAGNER. Mr. President, I have one or two amendments to offer.

Mr. ASHURST. Mr. President, I mean no discourtesy to the Senator from Oklahoma, but I shall ask the Senate to vote on the amendment I have offered and if the Senator from Oklahoma feels aggrieved, I shall support a motion to reconsider, if he sees fit to make such a motion. But in the interest of progress I should like to have a vote on my amendment.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Arizona to the amendment reported by the committee, which the secretary will again report.

The CHIEF CLERK. On page 112, after line 16, it is proposed to strike out section 8.

The VICE PRESIDENT. The question is on the amendment of the Senator from Arizona to strike out section 8. Those in favor of the amendment to the amendment will say "aye"——

Mr. SMOOT. Yeas and nays, Mr. President.

The VICE PRESIDENT. Contrary, "no." The ayes seem to have it; the ayes have it, and the amendment is agreed to.

Mr. BLACK. Mr. President, I desire to move to strike from the bill subdivision (b) beginning on line 18, page 101.

Mr. FLETCHER. Mr. President. as I understand the amendment of the Senator from Arizona, it was to strike out all of section 8.

The VICE PRESIDENT. That is correct, and the amendment was agreed to. The Senator from Alabama proposes an amendment, which will be stated.

The CHIEF CLERK. On page 101, after line 17, it is proposed to strike out the following:

(b) The Reconstruction Finance Corporation is authorized and directed to advance to the Secretary of Agriculture, in addition to the amounts allocated and made available to him by section 2 of the Reconstruction Finance Corporation act, not to exceed $40,000,000, of the amounts made available under section 2 of this act, for the purpose of financing sales of agricultural products in the markets of foreign countries in which such sales can not be financed in the normal course of commerce, but no such sales shall be financed by the Secretary of Agriculture if, in his judgment, such sales will affect adversely the world markets for such products. Any loan or advance made by the Secretary of Agriculture for the purposes of this subdivision may be made with or without security, as the Secretary of Agriculture deems advisable.

Mr. BLACK. Mr. President, I do not care to discuss this proposal at any length; but I desire to call attention to the fact that numerous protests have reached me with reference to this particular provision. It will be noted that it provides $40,000,000 to be turned over to the Secretary of Agriculture to be utilized by him in financing sales, evidently abroad. I can not vouch absolutely for the statement which has been made to me with reference to this proposal and which I am now about to call to the attention of the Senate; but I have been informed that the Secretary of Agriculture has caused the suggestion to be offered in seven different bills in the House of Representatives; that it has not met with approval in the House; and, as a matter of fact, I am informed, that if it should be adopted on this measure, the chances are that it would receive opposition from practically the entire Democratic membership of the House.

The objection which has been offered to this proposal has come, in the main, as I understand, from farmers. They do not desire that the wheat and cotton which is now held by the Farm Board shall be dumped on the markets of the world at this time. They believe that it would be injurious to the market and would further, if possible, reduce prices.

I believe it will be found by anyone who may be interested that the Secretary of Agriculture has been seeking to get this power since the very beginning of the present session of Congress. Personally, I am not willing to risk the judgment of the Secretary of Agriculture, as is provided in this amendment.

It will be noted the provision reads in part:

But no such sales shall be financed by the Secretary of Agriculture if, in his judgment, such sales will affect adversely the world markets for such products.

It may be that there are some who believe that the record of the Secretary of Agriculture is such as to lead to the conclusion that we should place this vast power in his hands. It has not been such, however, as to convince me that his interest in the American farmer has been so manifest that we can trust him with this fund of $40,000,000, to be used within his discretion and affecting the market for every cotton farmer and every wheat farmer in America.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield.

Mr. FLETCHER. I should like to inquire exactly what the Senator's proposal is. Is it to strike out paragraphs (b) and (c)?

Mr. BLACK. It is to strike out paragraph (b) entirely.

Mr. FLETCHER. How about paragraph (c)?

Mr. BLACK. As I understand, subsection (c) has nothing to do with subsection (b).

Mr. FLETCHER. Is it the Senator's construction that this money would be used by the Secretary of Agriculture to unload on foreign markets the surplus wheat and cotton that is now on hand under the control of the Federal Farm Board?

I rather favored this provision. My idea was that it was to enable the Secretary of Agriculture to open up new markets for agricultural products in this country by extension of time, and being able to finance sales which otherwise would not be made at all, and that it would apply to new products of agriculture—not to the surplus on hand.

If that is carried out, I should think this provision might accomplish a great deal of good by enabling us to dispose of our cotton and wheat and other agricultural products in places where otherwise there would be no opportunity to dispose of them. If it is simply to facilitate the handling of the surplus, I do not see that that would help our producers very much; but there are opportunities in foreign markets whereby, with a little financial help, such as extension of time beyond the time demanded by banks, our products—cotton, for instance—can be disposed of, and where present existing financial facilities will not accomplish that result. If cotton can be sold to spinners in Europe on such length of time that they can convert the cotton into goods, and market the goods, and then pay their bills, it seems to me that would be a very desirable thing to accomplish; and that could be done under this sort of an appropriation. If, however, it is simply to unload the surplus on foreign markets, I rather agree with the Senator about it.

Mr. BLACK. Mr. President, the measure specifically leaves it within the power of the Secretary of Agriculture to refrain from making sales if, in his judgment, such sales will affect adversely the world markets for such products. If this is a proposal to help agriculture, it should be taken up with the Agricultural Committee. It has no place in this bill. I am informed by the chairman of one of the most important committees of the House that the Secretary of Agriculture has tried for months to obtain a provision of exactly this kind in various measures. I am also informed that he has not met with any success in the House. In several instances he has tried to get $100,000,000 instead of $40,000,000.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BLACK. I yield to the Senator.

Mr. NORRIS. I was very much perplexed as to what this particular provision meant and what its object was; and I had supposed that when we got into the discussion of it, some Senator would defend it. What is the reason given by those who are for this provision for its inclusion in the bill?

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from South Dakota?

Mr. BLACK. I yield to the Senator.

Mr. NORBECK. I will say to the Senator from Nebraska that I want the Senator from Alabama to complete his remarks, and then I will try to explain the provision.

Mr. BLACK. Mr. President, I am not going at any length into a discussion of this proposal which seems to have found its way into this bill—a bill in which, in my judgment, it is wholly improper to place such a subject. If the Farm Board needs $40,000,000, the Farm Board ought to get its $40,000,000 by coming up to the committee and suggesting that it should have $40,000,000. Why should it be necessary to go through the circuitous route of the Secretary of Agriculture?

Personally I am not willing to place any such power in the hands of the Secretary of Agriculture. My judgment is that many of the powers that have been vested in the Secretary of Agriculture have not been exercised in such a way as to benefit the American farmer. Why should we complicate this bill with this proposal when, according to my information—which can be verified, and I shall be glad to verify it in a few minutes—when the effort has been made in several different instances to obtain the passage of this proposal through the House, either for $40,000,000 or for $100,000,000, the House committees have declined to approve it?

There has been no hearing on this proposal in this body. It was simply inserted, as I understand, at the request of the Secretary of Agriculture. I am also informed that a bill to this effect was introduced in the House by a Member of the House, and that he had published in his home State of Kansas a statement that he offered it wholly and completely at the instance of the Secretary of Agriculture, who had dictated the measure which he had offered in the House.

I am opposed to placing in a bill for the relief of unemployment a provision for turning over to the Secretary of Agriculture at this time $40,000,000 which plainly could be used for purposes beyond those which clearly appear in the bill. The provision leaves it entirely to his discretion. Of course it has been amended so as to state that adequate security shall be given for loans; but we still have the provision that we are vesting in the Secretary of Agriculture the power to dump on the markets of the world the wheat and the cotton which are now held; and every time any of those products are dumped at the present time they displace other cotton and other wheat that might be utilized for sale in those foreign markets.

While this provision is being explained, in order that I may be absolutely sure, I am going to call up and ascertain just how many times the effort has been made to secure the passage of this proposal in the House, and how many times it has been rejected.

Mr. NORBECK. Mr. President, there has been advanced here a new line of argument that I shall not discuss, and that is, whether we shall assume that the attitude of the other House is a certain way and vote accordingly. I can not go into that matter. I am sure the Members of the House do not take that view toward us. They wait until our bills come over, and then deal with them on their merits as they think best.

Mr. President, this provision is to take care of some surplus grain that was bought by the Farm Board and put in storage. It is one of the mistakes of the Farm Board. It is the proof of their bad judgment. It confirms the worst suspicions that I had when I voted against the farm marketing act. Not only two years ago, but some five or six years ago, when Senator Lenroot urged it, I said that if we would let a Government board speculate in grain with Government money, they would lose the money; it would be pointed to forever as proof of the fact that nothing could be done. We were headed into a blind alley at the time, and we went into it, and this is the result.

But, Mr. President, we are faced now with three alternatives. What are we going to do with this grain—export it, sell it in an American market, or keep it in storage as the Farm Board has been doing, where the cost of storage will eat up its value in three years, and we will still have the grain; and, worst of all, it is a threat on the market that depresses the market, because nobody will buy grain, not knowing what day it will be released.

There is really only one alternative to the export plan, and that is to impound the grain and announce to the world that it never will be sold. We can take our choice between leaving it as it is, selling it abroad, or impounding it so that it shall never be sold and never be used.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Utah?

Mr. NORBECK. Yes.

Mr. KING. We appropriated $500,000,000 to the Farm Board which was to be used as a revolving fund. Certainly they have not lost the entire $500,000,000. Why do they not use a part of that and sell this wheat and take their losses? If they can get only 20 cents a bushel for it, why not sell it and get rid of it, if that is the wisest course to pursue? We gave them the $500,000,000, and certainly that has not all been squandered.

Mr. NORBECK. I am unable to answer the Senator from Utah from the record, but I think it is well understood here that the Farm Board are so involved and so obligated that they can not carry on this transaction.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Idaho?

Mr. NORBECK. I do.

Mr. BORAH. Do I understand that this $40,000,000 is for the purpose of enabling the Farm Board to get rid of this surplus that they have on hand?

Mr. NORBECK. Absolutely; I understand why the Secretary of Agriculture is designated here is that there is such a feeling that the Farm Board should not be trusted with this undertaking, and there is an effort made to intrust it to somebody else who seems to enjoy more confidence for business ability, but I happen to know that the Farm Board is perfectly willing for the Secretary of Agriculture to handle it.

Mr. BORAH. What I am asking the Senator—and I have very great respect for his judgment in regard to the matter—is, What will be the effect of trying to unload on the market, through the process here outlined, this surplus? What would be the effect upon the price of the wheat that the farmer has produced this year?

Mr. NORBECK. The plan they have in mind is unloading it outside the tariff wall, which is 42 cents high. We have this year a wheat crop that is only equal to the domestic demand, and there is not any reason under the sun why the tariff of 42 cents should not be effective; and we should get 42 cents more for the wheat than we are now getting, without increasing the cost of bread to anybody, if we will get this wheat out of the way and do the best we can with it. I think it is one of the things that will really relieve the wheat situation for one year.

Mr. BORAH. Let me ask the Senator whether there has been any investigation as to where they could dispose of this wheat. I can not think of any place they can place this wheat that it will not hurt the farmer, except in China.

Mr. NORBECK. Of course, if they should dispose of it in the United States, it would depress the market. It must be exported. Whether or not they can export it all remains to be seen; but this will give them the money with which to do it in case they find the market, and they think they can, as I understand. If, however, it can not be done, of course, no action will be taken.

Mr. BORAH. Has there been any hearing upon this matter? Has anyone come before any committee and undertaken to explain where they are going to send this wheat?

Mr. NORBECK. This matter has been discussed informally a good deal for the past two years in the Agricultural Committee, and China has been looked upon as the most hopeful market; but the question of marketing is not a

thing that we can determine here in the Senate, whether that wheat shall be sold, or at what price it shall be sold, or how it shall be sold. We are simply giving a governmental agency the power to do it, in the hope that it can do it, and thereby relieve the situation of wheat and cotton; and this would be especially effective with regard to wheat.

Mr. BORAH. We are naming here the Secretary of Agriculture; but, of course, the Farm Board will do the business, if any business is done.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Montana?

Mr. NORBECK. I do.

Mr. WALSH of Montana. Inasmuch as the idea which prompted the incorporation of this provision in the bill has been the subject of some discussion, I feel like saying that the sponsors of the bill had in mind, in incorporating it therein, the considerations adverted to by the Senator from Florida [Mr. FLETCHER]. None of them had in mind at all the utilization of this fund for the purpose of disposing of any of the grain held by the Farm Board. I am not a little surprised to learn that it is in contemplation now that it shall be used for that purpose.

Mr. NORBECK. Will the Senator pardon me? It is possible that I did not make a clear enough distinction in regard to the matter of surplus. I am assuming that there is practically no surplus in this year's crop. It may have been that when they started out they wished to dispose of the surplus; but I think the weather conditions and the economic conditions have taken care of that, and that the only threat of any importance hanging over the market is the Farm Board wheat.

Mr. WALSH of Montana. Very well, that may be; but the idea that was in the minds of those who incorporated this provision in the bill was that by reason of the world-wide depression our ordinary export market would be almost altogether cut off, or at least very largely restricted; that the ordinary way in which exports of agricultural products are financed could not be in this situation relied upon; that the foreign purchasers of commodities would be unable to get the financing which they usually have, and therefore that it would be necessary to extend to them credit which, under ordinary circumstances, would not be extended, at least for a longer period. So it was intended to utilize this for the export of agricultural products in that way.

I do not know how the impression was conveyed to the Senators who took the responsibility of framing the bill, but I got the impression some way or other myself that a bill to this effect had passed the House of Representatives and was now pending before the Committee on Agriculture and Forestry of the Senate. I am informed, however, by the chairman of that committee that that is erroneous, that no such bill has come to that committee; but I do understand that the subject has had consideration by the Committee on Agriculture of the Senate.

However, Mr. President, if it is believed that this is for the purpose of further financing the operations of the Federal Farm Board, I am not going to interpose any objection at all to the excision of this paragraph from the bill, for if the Farm Board requires further financing it ought to be taken care of by a straight appropriation from the Treasury to the Farm Board and we should not be relying upon resources derived from the sale of bonds to take care of the unemployment situation further to finance the Farm Board.

It appears now, from the development of the discussion, that it would scarcely be applicable to any other exports than those which might be carried out by the Farm Board.

Mr. NORBECK. Mr. President, would the Senator be better satisfied if it provided that the current surplus should be dealt with and the Farm Board be instructed to hold the wheat for another year, so as not to depress the market?

Mr. WALSH of Montana. No; but if I were framing a bill, I should put in a provision for the export of the agricultural surplus other than that held or acquired by the Farm Board, or any of its instrumentalities.

Mr. NORBECK. The Senator means limit it to the others?

Mr. WALSH of Montana. Limit it to stocks other than those held by the Farm Board.

Mr. NORBECK. I am one of those who think that even that might, under certain conditions, be helpful. I think we must not deal lightly with this problem. I think that the prices of farm commodities, at least certain of them, are absolutely involved in the action we take on this paragraph.

Mr. BORAH. Mr. President, if this provision is not to take care of the surplus, and get out of the way the surplus which is constantly depressing prices, I do not see how it is going to benefit the farmers of the country. What we are trying to do is to lend money to some government or somebody in Europe or elsewhere by which they can turn around and buy wheat from us.

Mr. WALSH of Montana. No; the idea would be to lend the American exporter of grain who is obliged to give credit, long-time credit, to the European purchaser.

Mr. BORAH. Exactly; in other words, they have not the means by which to purchase, therefore we lend to the exporter, and he can extend credit to them; but in the sum total of things it amounts to the same thing, because if they are not able to pay we lose, for the exporter will not be able to pay.

Another thing we have to bear in mind is that the markets of the world for the products which come in competition with our farmers are well supplied. Why should they come here to buy from us when they can buy from other countries where the products are just as cheap?

Mr. KING. Mr. President, if the Senator will yield, this is a bill for furnishing employment, and, of course, to extend credit to Europe in the sum of $40,000,000 would furnish a vast amount of jobs to American unemployed.

Mr. BORAH. That is true; but if this will affect the prices of farm products, and it can be shown to be in that respect relevant, it would have its tendency to take care of unemployment. But I can not see any benefit to the farmer arising out of this matter. If I can see in it an increase of farm prices, I will support it, but I must be assured of that.

Mr. NORBECK. Mr. President, if we can get away from the surplus that depresses our market, so that our production which is sold in the United States is not in excess of the demand, we have made the tariff effective, and this is a year when the wheat production is so low that it seems rather easy to do that.

Mr. NORRIS obtained the floor.

Mr. FLETCHER. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Florida?

Mr. NORRIS. I yield.

Mr. FLETCHER. The Senator a few moments ago indicated that he wanted to hear from some one who had something to say in behalf of this amendment. I want to state that I fully agree with the position taken by the Senator from Montana, and I undertook to state that when the Senator from Alabama was discussing the matter.

Let me just illustrate, very briefly, what I think we could accomplish, possibly, under this amendment, in line with what we attempted to provide for in section 5 (a) of the Reconstruction Finance Corporation act.

Let us suppose that there is an exporter who has been in that business for a great many years, who has connections in European countries, say in Germany, France, Italy, England, and other nations of Europe. At present that exporter is unable to finance his transactions because of the breakdown of financial institutions in Europe to a large extent, and because of the general banking practice that commercial paper, short-time paper, usually runs about 60 or 90 days, and therefore the banks are not able to take care of the bills of lading, and drafts, and exchange, and that sort of thing.

There are opportunities in Europe, however. Europe has not gone all to pieces. People are living over there, just as they are in this country, from day to day, transacting business, somewhat hampered and limited, of course, but things are going on, and the people have to have clothing and they have to have food.

Under the usual and customary financial operation through the banks, the millers over there and the spinners over there can not arrange to have the banks take care of their paper, so that the goods they would import from this country can be paid for now. They would be helped if we could set up some sort of machinery here whereby we could say to our exporters, "You are in touch with millers; you are in touch with spinners. They want this wheat; they want this cotton." I take those products just to illustrate, but the same thing applies to other products. "But they can only buy them provided they can have six months' time in which to pay for them."

That means that they want time enough to convert the raw material into the finished product, the wheat into flour, to manufacture the flour into bread and sell it, and to be in a position to put it on the market. Then they can pay for it. The same thing applies to the spinners. They say, "Give us enough time so that we can convert the cotton into cloth and put that cloth on the market, and we will meet our obligations."

They are perfectly responsible concerns. They can even get their own banks to guarantee them if we can take care of their paper in the meantime and accomplish the operation. If we arrange to assist along that line, we will get markets which we have not to-day, because those foreigners can not pay for the goods. Give them time enough and they can pay for them, and the banks and other institutions will guarantee them.

We are attempting here to place in the hands of the Secretary of Agriculture $40,000,000, by which, through proper management and control and supervision, we can finance the sale of our products in the markets of the world, not only in Europe but in China and elsewhere, accomplish the sale of them, and open up markets which otherwise are not available to us at all.

That is the whole thing I have in mind. I do not want Congress to appropriate this money to enable the Secretary of Agriculture to dump on the markets of the world what is stored now by the Federal Farm Board and its subsidiaries. I do not see that that would do any good. I am in favor of opening up markets for the products which are yet to be offered, and that would help the producers of the United States. That is my idea about it. If it is to be confined to finding a market for this stored material, wheat, cotton, and so forth, I do not think we get anywhere by adopting the measure.

Mr. BORAH. Mr. President, if the surplus of wheat and cotton remains upon the market here, it will have its effect upon our markets for our home products. We can not expect the price of grain to rise in this country if these surpluses are on hand, ready to be turned onto the market at any time when the Farm Board wishes to put them on the market. We must get rid of the surplus products, in my judgment, that are in the hands of the Farm Board, before we can expect any rise in prices of our products.

Mr. FLETCHER. I should say they ought to feed them out gradually.

Mr. BORAH. They have been feeding them out gradually, and gradually holding down the price of the farmers' products. I said some time ago that if I had my way about it, I would ship that wheat to China and give it to them. That would be infinitely better than holding it here.

Mr. NORRIS. Mr. President, I started to say, when the Senator from Florida interrupted to ask a question, that when I first saw this provision in the bill I wondered why it was here, and I have been waiting expectantly to hear somebody give a reason for it. I think the reason has now been given, although those who favor this provision do not agree as to the object to be accomplished by the provision.

The thing that struck me first of all, naturally, I think, was that the intention was to get rid of the surplus wheat owned by the Farm Board. If that be true, why, then, should we go the roundabout way and give the authority to the Secretary of Agriculture to borrow money from the Reconstruction Finance Corporation for the purpose of financing wheat or other products, wheat and cotton mainly, over which the Secretary of Agriculture has no authority? As a matter of law, if this were passed as it is here, the Farm Board would not be required to give him the wheat. He could not get it if the Farm Board did not want to give it to him. There is no provision here that the Farm Board shall be authorized to turn that wheat over to the Secretary of Agriculture, even if we give him this authority. So that it seems to me that the reason given by the Senator from South Dakota is not a valid one, and I take it that the Senator from Florida and the Senator from Montana are right when they give us the reasons which they have given as to why this provision should be in the bill.

Mr. GLENN. Mr. President——

Mr. NORRIS. I want to take those reasons up for just a moment; but before I do that, I will yield to the Senator from Illinois for a question. I hope his question will not be as long as the question propounded by the Senator from Florida.

Mr. GLENN. My question will be very brief. I came into the Chamber just a moment ago. In view of the statement made by the Senator from Idaho—and I have not heard the whole colloquy—I wonder if it would not be well to provide that this fund should not be devoted to use of the Farm Board.

Mr. NORRIS. That is the first thing that struck me, as I said, when I read the provision. If we are trying to get rid of the surplus wheat held by the Farm Board, and we have any additional authority to give in order to enable them to get rid of it, it ought to be given to the Farm Board, of course. I do not believe they need any such authority. I think they have it under existing law. I think all the authority the Secretary of Agriculture would have with this appropriation of $40,000,000 is now possessed, under the law, by the Farm Board. They have the authority to do that very thing. They have the authority, as I understand, to do everything that is provided for here. Why, then, the appropriation of $40,000,000 to enable them to do something which they could do now?

I am wondering, Mr. President——

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield.

Mr. COUZENS. I think that, at least according to what the committee had in mind when we reported the bill, the Farm Board had no authority to sell any wheat or any of these products on credit.

Mr. NORRIS. Let me ask the Senator from Michigan, since he is going back to the committee, whether the Senator from Michigan agrees with the Senator from South Dakota or with the Senator from Montana as to the objects of the provision.

Mr. COUZENS. The Senator from Oregon [Mr. McNARY] made a statement on the floor yesterday that there was no restriction in the provision as to where the wheat should come from. There was a contemplated restriction as to where the Secretary of Agriculture should buy the product to sell.

Mr. NORRIS. This provision does not come from the Committee on Agriculture. It comes from the Finance Committee, of which the Senator is a member.

Mr. COUZENS. I am trying to explain to the Senator what the Senator from Oregon stated about the matter when it was before his committee. The subject matter was before his committee in several forms as to financing the exporting of agricultural products. What was contemplated was substantially that if the Farm Board or a private individual desired to ship wheat abroad to put in a warehouse there for distribution among any buyers that might appear, then this money would be available for that purpose. In other words, it would be secured by a warehouse receipt. If the Farm Board or a private concern desires to take 100,000 bushels of wheat to China and put it in a warehouse for storage and distribution there, then the shipper would get the money through this source.

Mr. NORRIS. That comes back then to the proposition that the Farm Board is supposed to be operating through cooperative organizations. The real object of the farm marketing act was to help the farmers' cooperative organizations and give them assistance. According to the Senator from Michigan, as I understand it, this plan is intended so the Secretary of Agriculture can loan the money to a private individual who wants to export, and that is the way it was explained by the Senator from Montana. If that be true then we have set up, through the instrumentality of the Farm Board an organization to help cooperatives to dispose of the surplus and handle all the farm products, and by this provision we propose to give to the Secretary of Agriculture $40,000,000 to deal with private parties to go into competition with the very instrumentality which we have set up, known as the Farm Board, so we will have one Government board operating through cooperatives and another Government institution to help kill the cooperatives by operating through private individuals and loaning them money so they may successfully compete with the other instrumentality we have set up to help cooperative organizations. Would it not work that way? Is not that what is going to happen?

Mr. BORAH. It would not work at all.

Mr. NORRIS. It seems to me that would be the inevitable result. We provide an appropriation of $500,000,000 to help cooperative organizations of farmers. We want to build them up. Then we provide $40,000,000 to tear them down and get private parties to go into the market and compete with the other instrumentalities we have set up.

Mr. GLENN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. NORRIS. I yield.

Mr. GLENN. Further, it is a very liberal provision because it provides that any loan may be made with or without security.

Mr. COUZENS. That was stricken out. It was corrected.

Mr. GLENN. I am sorry; I did not know that.

Mr. NORBECK. No, Mr. President, it was changed—I object to the word "corrected"—because it is not the usual way of dealing necessarily. In fact, I think that restriction tends to make it very difficult to operate, but it was changed. I want to get another vote on that matter to-day if I can. I think if we are going to get the surplus out of the way so as to relieve conditions in the American market, we ought to do something of the sort. I do not find the farm organizations objecting, but I do find the grain dealers objecting, and I find the board of trade objecting. They called me up from the Chicago Board of Trade to object to it. I am at a loss to know what opposition has come from the other side.

Mr. NORRIS. Evidently, from the statements made here, this money is going to be loaned to individuals who are exporters who in turn will have to sell the wheat on long-time terms. We are going to loan the money to the exporter on that same long-time credit in order that he may finance the individual who is engaged in exporting the wheat in competition with our own Federal Farm Board.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I yield.

Mr. BORAH. It is provided—

> but no such sales shall be financed by the Secretary of Agriculture if, in his judgment, such sales will affect adversely the world markets for such products.

It seems to me that is trying to bestow divine wisdom and power upon the Secretary of Agriculture.

Mr. NORBECK. I quite agree with the Senator from Idaho.

Mr. GORE and Mr. GLENN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. For the moment I do not yield to anyone.

The Senator from Idaho [Mr. BORAH] says this is bestowing divine power upon the Secretary of Agriculture. I think that is right. But we can do that, Mr. President. That is not difficult. We have a superman at the head of the Government, and divinity is only a little ways off! [Laughter.] I do not think that is any objection.

But I wonder if behind all this there is not something else. We provided after a long debate for the Farm Board. It was President Hoover's method of settling the farm question. It was his redemption of his promise made in the campaign that if he was elected he was going to put the farmer on an equal basis with the manufacturer so far as the tariff was concerned, and in answer to that promise we passed the Farm Board act. It is President Hoover's baby. I do not want to do anything to cripple it.

In the first place, it seems to me we are trying to be on both sides of that controversy that was waged over the Farm Board, and is still being waged to some extent. If we are acting in good faith, we ought not to put this provision in the bill, because it will help to tear down the very Farm Board we have set up. I am wondering if after all it is not another method to attract the attention of the country away from the difficulty in which the Farm Board have found themselves? They went out on the market and bought wheat, for instance, spending many millions of dollars in buying wheat. They raised the domestic price above the world price. That must be conceded by everybody. Immediately from one end of the country to the other went up the cry, "See what Mr. Hoover's action has done. It has raised the price of wheat in America above the world price. We are getting some benefit from the tariff."

To the man who did not look any farther, that seemed like a reasonable proposition. But I now inquire, What are we going to do with the wheat that has been piled up? We are only half through with the transaction. Of course, if I were given money enough, if the Federal Treasury was opened to me to the limit of $500,000,000 and I was told to take that money and see what I could do to help the price of wheat, I could raise the domestic price of wheat by bidding above the world price, and the tariff would keep foreign wheat from coming in here. I could raise the price to the farmers and, incidentally, to the middleman who had ownership and possession of a good deal of it.

But what would I do with the wheat then? If I had an unlimited supply of money, so I could burn the wheat or dump it in the sea, I could keep the price level always above the world price. The Farm Board went half through with their plan. They bought the wheat, bid for it and got it, and raised the price, but then they had the wheat. Then the question is, What are they going to do with the wheat? They can not equalize their business and call it a gain or a loss until they have sold the surplus wheat. I have always said we should wait until they sell it and let us see whether the farmer has been really helped or not. Now that wheat stands like a colossus, and everybody admits that its tendency is to hold the price of wheat down because we all know that some time that wheat is going to come on the market and depress the price. While it raised the price temporarily when they bought it, it will lower the price when they sell it. We can not weigh the Farm Board and its activities to know whether they have been a benefit or otherwise to agriculture until they have completed the job; until they have sold the farm products they now have stored.

Mr. GLENN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. NORRIS. I yield.

Mr. GLENN. In connection with the thought advanced by the Senator from Nebraska may I not inquire if the Government situation in that respect—that is, that they have completed only half of their job and the difficult part is unfinished—is not practically in line with the experience of private business particularly exemplified by our late Chicago Joe Leiter when he bought almost all the wheat in America and upon paper had made a great fortune, until the time came to dispose of the wheat. When he came to dispose of the wheat and the wheat was shipped into Chicago from all over the United States, then the burden became too great and the project, which seemed to have been a very highly advantageous one for Mr. Leiter, turned into a

most disastrous one for him when the wheat was supplied and the time came to pay for it. The price fell and, except for his father's great estate, he would have been a bankrupt.

Mr. NORRIS. Mr. President, let me proceed just a little further. I am wondering if we leave this provision in the bill and the Secretary of Agriculture takes the wheat which the Senator from South Dakota [Mr. NORBECK] said the Farm Board would be glad to give him, just what would happen. They can sell it to the Secretary of Agriculture and not lose much money on it. Then the plan is to let the Secretary of Agriculture send it abroad and lose the money. Then the argument would be made that the transaction has been completed and the farmers got the benefit of it, and nothing would be said about the loss because the loss would fall on the Secretary of Agriculture and not on the farm board. I have wondered if Senators thought that might be the object of the provision.

Mr. President, I do not want to do anything and I would not knowingly do anything that would injure the operations of the Farm Board. I never have. I would have been as glad as anybody to see them succeed. I would be glad now to see them succeed. But I want to be fair with the Government as well. When they make the claim that they have raised the price of wheat to the producer in the great West, I want them to complete the job. I have always contended, and those of us who have worked on the various farm bills to get rid of the surplus have always contended, that we could see no way on earth to deal with farm products where a surplus was produced unless we devised some method by which we could take care of the surplus, and the farm marketing act provided no such method. If it accomplished any good, and it seemed to me it would do something, it would be simply a steadying of the market.

But after all, under the law by virtue of which the Farm Board is now in existence they must deal with world markets, because when they get the surplus, unless they dump it back and kill our domestic market, they have to sell it on the other side of the tariff wall and take a lower price for it. That is the reason why it seemed to me they were trying to pull themselves over the fence by pulling on their own bootstraps. I do not believe it is economically sound. I said so when the farm marketing act was before us, but I failed on every provision that I favored. I have seen the idea go down to defeat in the main on account of the opposition of the President of the United States. I have seen him stand like a stone wall against the equalization fee provision, against the debenture plan, against the other bills introduced soon after the war by which we undertook to establish markets abroad to handle our surplus products.

I have always said, and so have those who have been in this fight since the end of the war, "If you have a better method, let us have it; we have done the best we can; we have suggested remedies in the shape of bills; we have seen them go down to defeat on account of the power and the influence of the administration. Now if the administration can do better, we give them carte blanche and welcome them into the field." As an answer to that challenge came the farm marketing act. It was Mr. Hoover's proposition in the campaign, and because the people of the United States believed that he was a superman, and, as the Senator from Iowa has intimated here, was closely related to Deity, he could perform feats in the economic world that nobody had ever before performed. So with a sweeping majority he was given the power. We passed the law he desired; he appointed his own Farm Board. They have been operating, and we have seen the results.

This is another plan, it seems to me, as to which nobody seems to know just exactly why it is here. Members of the committee do not agree as to the reason for putting the provision into the pending measure. I think it is here for the purpose of letting the Farm Board creep out of a hole out of which they ought not to be allowed to creep.

We ought to be fair with the Farm Board, and they ought to be fair with us. They have the authority now under the law to do just what we are proposing to give authority to the Secretary of Agriculture to do. They have already sold wheat in China on long time; they have already sold wheat in foreign markets and also have traded it for other commodities, as in the case of the coffee of Brazil. I hope they will succeed in their trading, but there is not any reason now, it seems to me, to try to help them creep out by permitting the Secretary of Agriculture to have $40,000,000 which I think he will use for the purpose of handling the surplus wheat the Farm Board has and of taking the responsibility off the Farm Board, so that when the transaction shall have been all completed, if we do not trace it clear through to where the money which has come from the Treasury has actually gone, we will think that we have spent the money well, because the farmers obtained an enhanced price for their wheat by virtue of this buying.

Personally I have not yet heard any reason given that satisfies me that this language has any place in this bill. It seems to me it ought to be eliminated from it, although, if there can be given a reason for its insertion that seems to have some kind of foundation, I am certainly willing to let it remain in the bill. Technically speaking, it has no place in a bill of this kind. As the Senator from Idaho stated, this is a different kind of bill; but I would not object for that reason. If it will help the farmers of the United States in any way, I am willing to put it in, even though technically and properly it does not belong in an unemployment relief bill.

Mr. GORE. Mr. President, I agree with the Senator from Nebraska that this provision has no proper place in the pending relief bill. I also agree with him that if the section remains its purpose and its object ought to be more clearly defined. I think the powers that are intended to be conferred ought to be defined with more precision.

If the Farm Board has made a success of its operations in wheat and cotton, then this power ought to be conferred and this money ought to be advanced to the Farm Board and let it continue its successful operations. If the Farm Board has not made a success of its operations in wheat and cotton, then why should we try another experiment? What assurance have we that a different experiment will be more "noble" than that of the Farm Board, except as suggested upon the assumption of divine power vested in some authority somewhere in the Federal Government?

The question has been raised as to exactly what this language does mean. Perhaps some light may be shed upon its obscurity by reference to House Joint Resolution 394, introduced by Representative STRONG of Kansas. The newspapers report Representative STRONG as saying that House Joint Resolution 394 was prepared by the Secretary of Agriculture, that it was submitted to him by the Secretary, and that he introduced it in the other House at the instance of the Secretary of Agriculture. If that be true—and I do not doubt it—this joint resolution ought to shed some light on the section now under consideration. The more is this true because the House joint resolution and subsection (b) of the pending measure are in exactly the same language, word for word, for the most part, including the major part of the joint resolution.

I should add that the House joint resolution calls for an expenditure of $100,000,000 instead of calling for only $40,000,000. I make no point of that; the difference is inconsequential so far as the amount of money is concerned. Money grows on trees, and the forest of Vallombrosa grows and flourishes down here in the Treasury Department.

But there is a sort of appendix or codicil attached to House Joint Resolution 394 which does not show up in the pending section and which only illustrates our power to work miracles. It provides that the financing of the *sale* of wheat and cotton shall be construed to include the *purchase* of domestic wheat and cotton. I make no point of that. There is no material difference between purchases and sales when the power to work miracles is invoked; but the joint resolution to which I have referred, in which the Secretary of Agriculture has revealed his motives and his objects, authorizes him, under the power to finance sales, to effect purchases of wheat and cotton and to add to the stores already hoarded by the Farm Board.

Not only that, but this House joint resolution authorizes the Secretary of Agriculture to make sales either for cash or upon credit. I shall refer to the credit proposal in a moment. Whether this authority is to be limited to cotton held by the Secretary of Agriculture now—and he holds 400,000 bales—whether it is to be limited to wheat and cotton held by the Farm Board ought to be made clear.

Mr. President, where are these sales to be made in foreign lands? We have a wheat carry-over now of something like 300,000,000 bushels or more, much of it held in the hands of farmers, much of it held in the hands of the private trade, searching the globe for markets—every crevice, every cranny, every market where a bushel could be sold being searched with the eagle eyes of private traders anxious to dispose of this surplus. Where is it to be sold? Spain, for instance, has an embargo on wheat until the price passes $1.37 a hundred; France has a tariff on wheat of $1.43 a hundred; Italy has a tariff on wheat of $1.44 a hundred; Germany has a tariff on wheat of $2.70 a hundred; South American countries have tariffs on our wheat ranging from $2 to $3. Where is this wheat to be sold? England, under her new provisional tariff, imposes a duty of 10 cents a bushel on wheat, and newspaper reports say that in her permanent tariff that rate will be raised to $1.03 in order to extend preference rights to Canada and Australia. I again ask, Mr. President, where is this wheat to be sold? And if sold by the Secretary it would plug foreign markets against the wheat now held by farmers and private dealers.

Cotton! The Secretary of Agriculture has 400,000 bales of cotton on his hands, taken over from farmers on loans to them made by the Secretary. The Farm Board owns and controls more than 3,000,000 bales of cotton. We have a carry-over of something like 10,000,000 bales or more, now held by private dealers as well as by farmers searching the earth for market places. Where will the Secretary of Agriculture find a market for this surplus cotton?

I think the Senator from Florida and the Senator from Montana have properly interpreted this provision. If I understand it aright, it authorizes the Secretary of Agriculture to lend money to foreign purchasers with which to purchase our cotton.

We sold wheat in China and took in payment Chinese bonds, which ought to be put in a strong box or in a cabinet of curios alongside Fenian bonds and Confederate bonds. We traded wheat with Brazil for coffee and disturbed the coffee market. We have loaned, Mr. President, since the war ten or twelve billion dollars of public money and fifteen or twenty billion dollars of private money to foreign governments and to foreign firms and corporations with which to buy our goods. We can sell this cotton and wheat if we will lend the money to the prospective purchasers with which to buy it. The only point is, Has that experiment proved a success? If Senators are satisfied with it, then let them repeat the experiment by adopting this section—I had almost said "by repeating the folly."

Mr. NORBECK. Mr. President, my friend from Nebraska [Mr. NORRIS], who is always so fair, shows a little more bitterness than usual this morning in his criticism of the administration and in the handling of its program; but he and I have traveled the same road on this matter. We have disagreed with the administration's policies. We have firmly believed that it was utter folly to go and buy wheat and store it in warehouses. We have believed that it was not orderly marketing, which was declared to be the main principle of the farm marketing act.

Orderly marketing consists in selling as you produce; and wheat must be sold every month in the year to somebody. We have our months of demand in the world market, and when we hold back on it other countries come in and take our place. But the question is, Can we sell this wheat in the world market, Mr. President?

For about 200 years we have been selling wheat in the world market. It is only since the Farm Board came into being that we withdrew from the world market. The world market has been open to us all the time. It is open to us now. It has been open to us only at the world price. It is open to us now only on the same conditions. It is true, however, that the economic situation is harder now; and it was hoped that this wheat might be moved with a little inducement.

The Senator from Oklahoma [Mr. GORE] asks, Can we afford to loan $40,000,000 to the debtor? Mr. President, if it raises the price of the wheat that we raised in the United States 10 cents a bushel we will get the money back with 100 per cent interest. If it raises it 40 cents a bushel, it will come back manyfold.

I have not agreed with this administration in all things, but I agree that this is a sane effort, because it is along the lines that the Senator from Nebraska and I have been advocating all the time; and I am not going to abandon it now just because President Hoover comes over to our side.

Mr. NORRIS. I think I would begin to get doubtful about it, anyway, under those circumstances. [Laughter.] And let me say to the Senator that President Hoover never yet has come over to our side.

Mr. NORBECK. If this is an administration measure, he is absolutely coming over to our side. It is to market the surplus abroad. That is the thing we contended for. We have said it is the only thing that is economically sound. Finally, after holding back for all these years, they say, "All right; we will try to do it if you will give us the money."

I see no other way to raise the price of our products, and give us an American price here for American products, than this very way that the Senator from Nebraska and I have been advocating all these years—the very way that it is proposed to do it in this provision this morning.

Mr. President, the depressed economic situation is getting widespread. It started in the agricultural States, but it has spread over the entire Nation.

Mr. NORRIS. Mr. President, if we want to do that, why not do it openly and aboveboard, and let the Farm Board do it? Why loan this money to the Secretary of the Treasury? Why loan money to anybody? Let the Farm Board sell this wheat on any terms it wants to, as it can do under the law.

Mr. NORBECK. I have no objection to doing it through one agency or the other; but the Senator knows as well as I do that there are a number of Senators here who have said they would not vote another dollar to the Farm Board, and I suspect that this has been done in this way to meet that situation, in order to get the legislation. I have not any objection to doing it in the other way.

Mr. NORRIS. Mr. President, will the Senator yield again?

Mr. NORBECK. I yield.

Mr. NORRIS. If that is true, then we are just putting in "the Secretary of Agriculture" here instead of "the Farm Board" in order to go a roundabout way to get the votes of the Senators who would not vote for something if it was the Farm Board that was going to operate it. In other words, we are going to practice a little deception on them.

Mr. NORBECK. No; why always put the worst possible construction on these things? There are Members of the Senate who do not believe the Farm Board has any business judgment. They are the same Members of the Senate who believe that Secretary Hyde is a successful business man. They will vote for one, and not for the other; and we will simply have to recognize that as a fact.

Mr. NORRIS. If that is true, there are other Members of the Senate who think that the Farm Board has a lot more business judgment than the Secretary of Agriculture has.

Mr. NORBECK. All right. There is room, therefore, for honest difference of opinion on it.

Mr. NORRIS. Then it is only a question as to which viewpoint has the most votes as to what we ought to put in the bill.

Mr. NORBECK. Yes; but that difference of opinion arises out of the different appraisements of different individuals. Therefore, the Senator and I can not decide it for the others.

Mr. GLENN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from Illinois?

Mr. NORBECK. I yield to the Senator from Illinois.

Mr. GLENN. As I understand, there is a large group of Senators here who have no confidence in the business judgment of the Farm Board. There is another group of Senators who have no confidence in the business judgment of the Secretary of Agriculture. So this is a provision whereby, having already provided a fund for the Farm Board, we now provide a fund for the Secretary of Agriculture, in the hope that by voting funds to both outfits we will find one that has some business judgment.

Mr. NORBECK. There is room for difference of opinion, and I quarrel with no man who has an opposite view on that matter. I am simply suggesting that there seems to be no other way to give the American farmer an American price, and no Senator has suggested any other way.

Mr. PITTMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from Nevada?

Mr. NORBECK. I do.

Mr. PITTMAN. As I understand the Senator's position with regard to wheat, there are only three ways of dealing with this matter. One of them is to get this wheat out of the country and keep it from hanging over the future market. Another is to impound it, and let it be known that it always will be impounded.

Now that the Senate has voted an appropriation of $300,000,000 to be used to lend to the States for the purpose of meeting destitution, would it not be better to take this wheat and turn it over to the Red Cross or allocate it to the States for the purpose of feeding the destitute? The destitute can not buy any of the wheat of the crop that is coming on.

Mr. NORBECK. Mr. President, we have already done that.

Mr. PITTMAN. Well, why not eat up the rest of it?

Mr. NORBECK. Because there is more wheat raised in the United States than we are able to eat; and if that were not so, we never would have any surplus.

Mr. PITTMAN. I am only talking about this surplus that is in the hands of the Farm Board. That wheat is there. It is a constant threat as against the future market for wheat in this country; and, as the Senator has said, it must be gotten rid of; otherwise it is a constant "bear" on the price of the future crop.

This provision proposes, in a sense, to get rid of it by aiding in the sale of it to foreigners. It is contended that that will itself consume part of the future export market of the wheat, if there is a surplus. The Senator from South Dakota thinks there will not be a surplus. Others think there will be a surplus, but what I am getting at is this: We believe that it will require at least $300,000,000 in the near future, commencing now, or possibly with the next session of Congress, to take care of the destitute; in other words, to feed them. There will have to be bread bought with that $300,000,000.

Mr. NORBECK. No; in the total cost of living bread is a very small percentage.

Mr. PITTMAN. Yes; but a great many of these people to-day would be very glad to have half a loaf of bread.

Mr. NORBECK. Yes; and the Congress has made provision for that.

Mr. PITTMAN. I know that bread is a very small part of the cost of living of those who have something else to live on; but I venture to say that a loaf of bread to-day would be a great help to a whole lot of people.

Mr. NORBECK. Undoubtedly.

Mr. PITTMAN. If we really think we are going to spend $300,000,000 to meet that destitution between now and next winter, why take the $300,000,000 and buy bread with it if we already have, in the form of wheat, bread that we want to get rid of? Why do we not just substitute in that proposition and provide that all of this wheat in some way shall be made available for those who can not buy flour to eat between now and December, instead of impounding it in a warehouse?

Mr. TYDINGS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from South Dakota yield to the Senator from Maryland?

Mr. NORBECK. Just a minute.

That is a detail. The surplus problem simply grows out of the fact that we produce more wheat than we can eat. If everybody eats all the bread he can eat, we still will have a surplus; so when we take it out of one place and move it to another place within the domestic market, we have simply relieved the pressure in one place and put it in another. There is no remedy for this surplus except to get it into the usual channels of trade, where it has been going for more than a century, where the world's demand has always absorbed it; but what little is needed here at home certainly should be provided. It has been provided.

Mr. PITTMAN. We have 10,000,000 idle wage earners in this country now. We have at least 7,000,000 on top of that number who are dependent on them; so that we have 15,000,000, then, who can not buy. Otherwise, we would not be appropriating this little sum of $300,000,000. They can not buy. Now, why take money out of the $300,000,000 to go and buy with one hand, and give with the other?

The proposition is this: What we want to do under this proposal is to sell all this wheat to some starving Chinese. That would be a pretty good idea if we did not have starving people here; but, as a matter of fact, the chances are that it will not be paid for for a long time to come, and we know that out of this $300,000,000 we are going to pay for bread right away.

The Senator says there is more wheat than we can eat. I do not know how much there is. How much wheat is there now in the hands of the Farm Board?

Mr. GORE. Ninety million bushels.

Mr. NORBECK. The figures of the Senator from Oklahoma will be accepted by me.

Mr. PITTMAN. Ninety million bushels; all right. How long will it take 15,000,000 people, between now and the end of next winter, to eat up 90,000,000 bushels of wheat? I venture to say they could eat it up, considering the fact that they will get hardly anything else to eat.

Mr. NORBECK. Yes; and then we will pile up another 90,000,000 bushels elsewhere, so that it will amount to exactly the same thing.

Mr. PITTMAN. But we are dealing with this surplus now.

Mr. NORBECK. Mr. President, the Senator must not get this confused. This $300,000,000 for relief to give employment is in order that the workingman may be able to pay his house rent, may be able to pay his meat bill, may be able to buy his shoes, may be able to buy clothing for himself and his children, and their schoolbooks. Only a small part of it will go into wheat. The Senator from Nevada and I are not in disagreement.

Mr. PITTMAN. I know; but if we refrain from taking out of this $300,000,000 fund the amount that would be spent for bread, we would have that much more in the $300,000,000 fund; would we not?

Mr. NORBECK. It would be just like the Senator's silver. If we have not it at one place, we have it at another place. If we have a surplus, if we do not have it in the warehouses, if we supply a certain domestic market with the wheat in the surplus, then we have shut out just that many bushels from going into the domestic market. Therefore there is no solution in this deal except to export what we can not eat.

The Senator and I have voted for all the wheat the Red Cross wanted, and we will vote more. That is all right; but it is such a small part that it is not a solution. It is not even part of a solution.

Mr. PITTMAN. The whole truth about the thing is, and the complaint the Senator has against the Farm Board is, that they did not relieve the pressure on the market by buying, because this wheat has still hung above it.

Mr. NORBECK. My complaint of the Farm Board is that they have put this wheat in the warehouse instead of mar-

keting it abroad, as they could have done, when the world's market would absorb it. My complaint of the Farm Board is that they did not conduct orderly marketing. It is just as the Senator from Nebraska says; they gathered it and put it in warehouses and created a little demand because it was out of reach, and then we have it to sell afterwards.

Mr. PITTMAN. Does the Senator know where there is any market for it abroad now?

Mr. NORBECK. I know that we produce only one-fifth of the world's wheat, and that 80 per cent of the world's supply, or four times more than we raise, is being marketed and consumed in the world. Our part of the export is an exceedingly small part of the world's market; and I have had exporters come to me in this building and show me inquiries they had from Europe saying, "What can you sell us wheat at?"

Mr. PITTMAN. If the Senator knows where there is a market for it abroad, let us put a direction——

Mr. NORBECK. I did not say there was a market for all of it. The Senator asked whether there was any demand for it. I say there is. I am not saying that anyone can go out this morning and sell these 90,000,000 bushels. I doubt it very much. I do maintain that this wheat would have sold itself all the way along at the world price if they had let it go.

Mr. PITTMAN. It is perfectly evident to me, although I am not a farm expert, that the farmers will have to get rid of this wheat that is hanging over their heads. They will have to get rid of it either by shipping it to somebody who can not pay for it for a long time, or they will have to have the distressed people of this country eat it. I would rather have it eaten by the distressed people here than to have it eaten by the distressed people somewhere else who can not pay for it. I would rather have it eaten than to have it remain in warehouses for three years, where we are paying for storage, and it is becoming useless; and when we recognize the distress in this country I can not understand why we do not utilize something like this to meet it.

Mr. NORBECK. Mr. President, I desire to say that I feel that we are dealing lightly with an economic problem, but perhaps we can not deal with it in any other way. It is as plain as day, however, that prosperity can not return until purchasing power returns. It is as plain as day that if purchasing power does not return there will be liquidation. We can take our choice between trying to restore a normal condition and letting it drift. If it drifts, it will drift into one of two things: It will either drift into the bankruptcy courts, or it will drift into a cheaper kind of money, some form of inflation. We are going to face one or the other, and it is inescapable.

Mr. GLENN. Mr. President, it seems to me the point raised by the Senator from Nevada is certainly well taken. It seems to me that, besides the other apparently well-taken objections to this provision, first, it has no place in this particular bill; secondly, the question of further aid to the Farm Board, either directly, or through subterfuge, is a subject of such importance that it is entitled to consideration, and full consideration, upon its merits, and not to be intermingled with a bill of this character, are matters which, it seems to me, are of great importance.

After all, what does this section intend to provide? It intends to provide $40,000,000 for the furnishing of wheat to people who now are unable to pay for that wheat, and therefore to take that amount of wheat out of the competition in this domestic market, and send it abroad to feed people who can not pay for it. That is exactly what this means, and that is all it means.

I think the point which the Senator from Nevada makes is entirely sound. We can supply a domestic market, a market which can not now be supplied for this wheat, by providing that it be allocated and furnished to people in our country who now can not buy wheat and can not buy bread. It will help the wheat surplus situation just as much to allow this wheat to be purchased and furnished to people who now are unable to buy bread in the United States, as to finance the purchase of the wheat by people in foreign lands who now do not buy it because they have no funds.

What is the difference upon the surplus wheat situation, or the cotton situation, whether people in Europe are enabled to buy it, or people are provided with money to purchase wheat and cotton in the United States who now have no means with which to purchase it? They would not buy this wheat in competition now, because they have not any money. Why not have our Government provide that those people shall be the ones to eat this wheat and wear the clothes made from this cotton, rather than that we should send our money abroad to enable people abroad, now unable to buy these commodities, to buy them?

Mr. President, yesterday I heard a school-teacher from the city of Chicago testify that there come every day into the common schools of the city of Chicago thousands and thousands and thousands of little boys and little girls, American boys and American girls, unfed that morning, without bread or any of the other products of wheat, of which we have this great and abundant and overflowing supply. Why can we not provide means by which those children, and children like them in every great industrial center in the country, may be enabled to consume these surplus products, thereby making a wider market for the farmer? Why will it not be as sound for us to provide that this surplus be consumed by these unfed, undernourished, starving children of our own, rather than to provide by the sending of $40,000,000 of our money abroad, that people there, destitute perhaps, and unable to buy, may be empowered and put in position to buy this wheat and this cotton and these other commodities?

I think that in our effort to aid and assist the farmer it is our first duty at the same time to be thinking of the people of our own country.

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. GLENN. I yield.

Mr. TYDINGS. I agree with what the Senator has said, if I may transgress just a moment on his time. In my judgment, the Federal Farm Board is never going to solve the agricultural problem. It has a lot of wheat on hand, and the sooner it gets rid of it the better everybody will be.

I think, myself, that in the end most of it is going to be given away, and certainly there is need now to utilize it to feed the unemployed and the hungry and the starving people, particularly in the large cities, of our own country. I would much rather give it for that purpose than to have $40,000,000 more of good money wasted, perhaps, in a foreign gamble which would not pay 10 cents on the dollar.

Mr. GLENN. I thank the Senator from Maryland. As he says, we can do all for the farmers that this section provides, according to its sponsors, by taking this surplus wheat and furnishing it to the people of the United States who now can not buy wheat from the farmers or cotton from the farmers. We can save this $40,000,000 to the taxpayers of the United States, and we can do all for the farmer that can be done by the Secretary of Agriculture if he had the $40,000,000, and at the same time we can save thousands and help thousands and thousands and thousands of people of the United States who now want bread made in the United States from American wheat.

I certainly am opposed to this provision of the bill.

Mr. NORBECK. Mr. President, I just want to call the attention of the Senate to the fact that this is the first challenge we have had of all the statistics since they were ever published. Here is one assertion that we are able to consume our surplus, and that if every stomach were full, there would be no surplus, notwithstanding the fact that we have a hundred-year record proving the contrary.

Mr. GLENN. Mr. President, we have a hundred-year record, but we have never had an experience or a time in the United States within that hundred years comparable with our present sad situation.

Mr. NORBECK. That is all right, but the size of the bushel is the same as it was then, and the size of the stomach is the same as it was then.

Mr. GLENN. But there are more empty stomachs now than ever before.

Mr. NORBECK. But when they were full, we never disposed of the surplus. That is the point I make.

Mr. GLENN. We can dispose of a lot of it in feeding the American people.

Mr. NORBECK. A lot of it, but not enough to affect the price.

Mr. GLENN. It would not take much time to divide up $40,000,000 worth of wheat among needy people in the months and months and months of the dire winter we are facing in the United States. That $40,000,000 worth of wheat which it is proposed to have the American taxpayers provide to send abroad would be consumed in the United States long before the snow cleared up in the spring.

Mr. NORBECK. It matters not whether the farmer gets 30 cents or 70 cents per bushel?

Mr. GLENN. It makes no difference to the American farmer whether that wheat is consumed abroad or in the United States, so far as that is concerned, by people able to buy. What difference does it make whether that wheat is consumed here by a boy or girl who can not buy bread in the morning for breakfast or whether it is bought by people of Europe?

Mr. NORBECK. The only difference is whether the tariff of 42 cents a bushel is effective.

Mr. GLENN. The tariff has not anything to do with this at all.

Mr. KING. Mr. President, it is apparent from what has been stated that there was no enthusiasm behind the proposal to name the Secretary of Agriculture to administer the $40,000,000 fund provided in subdivision (b) of section (2) of the bill before us. The section referred to directs that the Reconstruction Finance Corporation advance to the Secretary of Agriculture, in addition to the amounts heretofore allocated and made available to him by the Reconstruction Finance Corporation act, a sum not exceeding $40,000,000. The evidence before us conclusively shows that the Secretary of Agriculture and his allies have been exceedingly active in trying to secure an additional appropriation of $100,000,000 to finance the sales of agricultural products in other countries. The importunities of some of those sponsoring this proposition were ignored by the House, but they have been successful apparently in securing a part of their program which is represented by subdivision (b) referred to.

For some time it has been manifest that the Federal Farm Board and its supporters were determined to retrieve some of its blunders by getting rid of a large quantity of cotton and wheat, in which hundreds of millions of dollars of the money of the taxpayers had been invested. The Federal Farm Board and its friends learned that Congress was unwilling to make further appropriations to be expended by the board. Its past record has been such as to not only not inspire confidence but to convince a large part of the American people, as well as Congress, of its past unsound and, indeed, unwise and foolish policies.

There has been no little propaganda and pressure to induce Congress to appropriate further funds to the Federal Farm Board. I have received a number of communications, evidently inspired, urging that I support appropriations for use by the Federal Farm Board to enable it to dispose in foreign markets of wheat and cotton surpluses which it had purchased and was holding at great cost to the taxpayers of the United States. Copies of resolutions have been forwarded to me by a number of so-called cooperatives, eulogizing the Federal Farm Board, and approving its conduct—good, bad, and indifferent. I condemn the propaganda which is being carried on in behalf of the Federal Farm Board and the manifest determination of some of the direct or indirect agencies of the board, such as the Farmers' National Grain Corporation and the Grain Stabilization, and representatives of cooperatives, to persuade Congress to appropriate further large sums to be expended by the Federal Farm Board.

The Senator from South Dakota has indicated that a lack of confidence in the Federal Farm Board led those who proposed this $40,000,000 appropriation to name the Secretary of Agriculture as the agent to handle the fund and to sell in foreign markets wheat and cotton now in the hands of the board. In other words, because of the folly and improper policies of the Federal Farm Board, it has on hand tens of millions of bushels of wheat and enormous quantities of cotton. It expended a large part of the $500,000,000 fund provided by Congress, from taxes wrung from the people, in purchasing large quantities of wheat and cotton for which it finds no markets.

The policies of the Federal Farm Board have been counter to all sound business methods and practices which should have been followed in its activities under the law creating it. The Federal Farm Board—in the language of the street—"ran wild"; it ignored all lessons of history, and demonstrated its lack of wisdom or ability to meet the responsibilities resting upon it. Perhaps the board can not be criticized for its efforts now to find some means of getting rid of the surplus wheat and cotton which it purchased. But who would be willing, in the light of its record, to intrust it with $100,000,000 or $40,000,000 to enable it to sell in foreign markets these two commodities.

It is known that these commodities may not be sold in foreign countries unless credit is extended. The people of the United States are now suffering because of credits which have been extended to foreign countries. The losses which will be sustained by reason of these foreign transactions will be staggering in their proportions. Billions of dollars will be lost by reason of the inability of foreign governments, corporations, and individuals in other lands to meet their obligations.

We have learned that the members of the committee reporting this bill did not understand that it was contemplated that this $40,000,000 was to be used to relieve the Federal Farm Board of some of its surplus wheat and cotton and to aid it in minimizing the results of its foolish experimentations. The plan, however, has now been revealed.

The Secretary of Agriculture is to be substituted for the Federal Farm Board in attempts to dispose of the wheat and cotton held by the board in foreign markets. It is admitted that credits will have to be extended to foreign purchasers if sales are made. With the enormous losses which the American people have sustained during the past few years by extending credit and making loans to foreign governments, corporations, and individuals there is no great desire to take further chances and to run risks of losing additional millions of dollars. Personally, I would prefer to have the Federal Farm Board handle the $40,000,000 than to place it in the hands of the Secretary of Agriculture. Appropriations have been made both to the Federal Farm Board and the Department of Agriculture, to be used for agricultural purposes, including loans to cooperatives and farmers. Losses thus far have been very great, and undoubtedly when the final day of settlement comes the balance sheet will reveal additional losses. I am unwilling further to tax the American people for the purpose of placing in the hands of the Secretary of Agriculture or the board funds for the purposes indicated in the provisions of the bill now under discussion.

Mr. President, this provision has no place in this bill. As I stated yesterday, we are considering a bill to aid unemployment and to help the millions who are unemployed to obtain work and means of support. To take $40,000,000 from the fund which is designed to aid unemployment, and turn it over to the Federal Farm Board or the Secretary of Agriculture, with authority to further speculate in wheat and cotton by disposing of them in foreign countries, not for cash but for promises of payment, can not, in my view, be justified. Many complain that the fund to help unemployment is inadequate. Certainly it should not be impaired or diminished by subtracting from it the $40,000,000 in question, or other sums or amounts.

The Senator from Nevada has suggested that some of the wheat held by the Federal Farm Board, instead of being delivered to the Secretary of Agriculture, be used to feed the hungry and those who are in want. A short time ago a large quantity of wheat, held by the board, was acquired by the Government and distributed through the Red Cross

for the benefit of the destitute. Certainly it would be better to adopt a similar course with respect to some of the wheat held by the Federal Farm Board than to approve of the plan provided in the bill before us. I have no doubt that the board and some of the forces of the administration will make a strenuous effort to have this provision of the bill adopted. In my opinion the provision is unwise and the amendment offered by the Senator from Alabama to eliminate it from the bill should be adopted.

Mr. GEORGE. Mr. President, I want to say just a word about this proposal. I have not been able to see how the exportation of wheat and cotton and the sale of wheat and cotton in the foreign market, financed by American money, is going to be of particular benefit to American agriculture at this time. Any supply to the market anywhere is, of course, going to diminish the demand. The exception to that general statement would be to find a market for wheat and a market for our surplus cotton in which cotton and wheat are not now consumed. It is obviously out of the question to develop a purchasing market now for cotton or for wheat; that is to say, develop a market which will consume any considerable portion of our wheat or cotton surpluses now held, where the purchasers or consumers in that market have not heretofore been accustomed to use wheat or cotton.

It therefore seems to me—and I think the suggestion made by the Senator from Nevada and others is wise—that, so far as our wheat is concerned, it might as well be consumed in the United States.

It is true that would cut into the home market for the producer, but if we place the wheat elsewhere in the world market where wheat is now consumed, we are also cutting into the market of the American producer in so far as he contributes to the world surplus, as well as the producer elsewhere. The same thing is true of cotton, and I dare say that there are 40,000,000 people in the United States to-day who could easily consume at least $40,000,000 worth of wheat, who will not consume $40,000,000 worth of wheat if it is not made available to them. In other words, to supply the demand now of the unemployed and needy in America is not going to cut down any part of the market for the American wheat producer, because they are not able to buy or procure the wheat which they otherwise would consume. To withhold this wheat from them is not going to put them in any better shape to purchase any of the wheat which is coming on the market from the present crop.

Many cotton producers and many cotton manufacturers have questioned the proposal to use a portion of the American cotton now held by the Farm Board in this market. There seems to be little force in the objection which they have offered. It might as well be used here, and it ought to be used here, for the all-sufficient reason, it seems to me, that we ought to take care of our own people first. If we are not able to take care of all people, we should take care of our own people first.

I have said to the cotton producers of the South exactly what I am saying to the distinguished Senator from South Dakota now and to the proponents of this particular provision in the bill. If American cotton now held by the Farm Board is with American money exported and financed in any market, it will take up just that much of the world demand for cotton. We are getting the world's price for cotton and we are getting the world's price for wheat, with unimportant exception, and we might as well use our surpluses here if they are to be given away. It is true that if the Farm Board or the Secretary of Agriculture could take so much cotton and could place it where cotton has not been and is not now consumed, where there has not been a demand for cotton, of course it would be wise to export the cotton to supply that demand. But that would not be done. With the world flat on its back, with the purchasing power of consumers exhausted, obviously we can not develop a new market, a new demand for a product which has not been consumed in that market.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. GEORGE. I yield.

Mr. GORE. Does not the Senator think that if the Secretary of Agriculture knows any place in the world where cotton can be disposed of, he ought to communicate that secret to the Farm Board?

Mr. GEORGE. I think he certainly should do so. It seems to me far wiser, far better, certainly more just, that the Congress should furnish aid to those consumers in the United States who can not buy, and for that reason alone will not be able to use, wheat now held by the Farm Board or by 1932 producers. If we furnish wheat and cotton to our needy people in the United States, who have no power to buy, that will be far the wiser thing for us to do.

Mr. NORBECK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from South Dakota?

Mr. GEORGE. I yield.

Mr. NORBECK. The Senator recalls that Congress authorized the Farm Board to turn over 40,000,000 bushels of wheat to the Red Cross.

Mr. GEORGE. Yes.

Mr. NORBECK. And there are bills pending to turn over more wheat to the Red Cross. The Senator will also admit that the Red Cross does its work pretty well. We have had no further requests for additional wheat. Certainly the Congress will give it all the wheat it can use, but that does not deal with the surplus.

Mr. GEORGE. I agree with what the Senator has said, but there is a larger demand than the Senator imagines in this country for wheat, for bread, for cotton—that is to say, for clothing—which can not be supplied because the people who need can not buy. They have not the money. All through the rural sections of the South now and during the remainder of this summer and autumn and winter there is and will be a tremendous demand for wheat and bread which can not be supplied simply because the purchasers can not buy, having nothing with which to buy. I have no doubt that here in the United States we could consume the surplus wheat carried by the Farm Board, and could do it with no more injury to our farmers than if we export the surplus wheat, because when we put that surplus in any hole that can be found anywhere in the world, we will have leveled up that hole and there will be no demand for whatever amount of surplus wheat we may produce this year.

But suppose I am only half right—the humane thing, the decent thing for the American Congress to do is to feed the hungry mouths of men, women, and children in the United States as long as those mouths are unfed and as long as they have no money with which to buy the food necessary to feed them or the cotton out of which cloth may be made to provide clothing. As certainly as we stand here in the Senate, in the very fields where the wheat is grown and in the very fields where the cotton is grown which furnishes the clothing for so large a part of mankind, men and women and children will go hungry and shivering during the coming winter.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CONNALLY. If the motion to strike out now pending should be adopted, would it then be in order to offer a similar amendment, or should the amendment be offered now?

The PRESIDENT pro tempore. It may be offered at any time.

Mr. CONNALLY. Then I offer my amendment now in the nature of a substitute.

The PRESIDENT pro tempore. The Senator from Texas offers an amendment in the nature of a substitute for the amendment proposed by the Senator from Alabama. The proposed substitute will be read for the information of the Senate.

The LEGISLATIVE CLERK. In lieu of the matter proposed to be stricken out, insert the following:

Whenever in the opinion of the board of directors of the Reconstruction Finance Corporation (1) there is a surplus of wheat or cotton or other agricultural products in the United States or lack of a market for the advantageous sale of the same, or (2) the ordinary banking facilities are inadequate to enable producers of or dealers in wheat or cotton or other agricultural products to carry such products until they can be exported or sold for export in an orderly manner, the corporation is further authorized and empowered to make advances as hereinafter provided to aid in financing the exportation and sale in the markets of foreign countries of wheat and cotton or other agricultural products produced in the United States. Such advances may be made (1) to any person or group of persons engaged in the United States in producing, marketing, or dealing in wheat or cotton or other agricultural products; (2) to any person outside of the United States engaged in purchasing wheat or cotton or other agricultural products, but only on condition that the moneys so advanced shall be expended wholly within the United States. Such advances shall be made for periods of not to exceed three years and shall be made in such amounts, and upon such terms and conditions, and with such security, as the board of directors of the corporation may prescribe. The aggregate of the advances made pursuant to this paragraph shall not exceed $250,000,000. For the purpose of this paragraph the term "person" means an individual, a partnership, an association, or a corporation.

Mr. CONNALLY. Mr. President, this amendment is drafted along the same lines as a similar provision contained in the War Finance Corporation act which we passed immediately after the World War. Senators will remember that the War Finance Corporation was organized primarily for the purpose of furnishing credit to exporters who desired to sell their products in Europe. Senators will remember that that particular activity of the War Finance Corporation was eminently successful and that the corporation finally liquidated its affairs without showing any loss whatsoever. It was even claimed that it made a profit for the Government.

This provision does not limit the loans to the Farm Board; it does not limit the loans to anybody. It provides that the Reconstruction Finance Corporation may loan money to any individual, corporation, group of persons, or others for the purpose of financing the exporting of wheat, cotton, or other agricultural products into foreign lands.

I am somewhat amazed at Senators who are opposing this sort of a proposal. Everybody knows that credit has almost vanished in the United States. What is the necessity for the bill at all if there is plenty of credit? Why are we handing out $1,500,000,000 from the Treasury to finance so-called self-liquidating corporations if there is plenty of credit? Why is it that agriculture is the one industry, according to the conclusion of some Senators, that does not need credit to carry on its operations? How are we going to get rid of this tremendous surplus of wheat and cotton? I am talking not only of the wheat and cotton owned by the Farm Board but I am talking about the wheat and cotton and other products that will be produced in this good year of 1932. How are we going to get rid of it unless we sell it in the markets of the world?

How can these operations be financed when there is no credit for any other kind of business transaction unless the Government, through this same agency, the same agency that is going to finance other industries, the same agency that is going to finance bridges across San Francisco Bay and tunnels under the Hudson River, finances them in this same way? How are they going to be financed for exporting abroad when there is no credit abroad? How can a foreign purchaser buy when he has no money? If he is able to buy and then manufacture his goods and sell them in Europe, he can then repay these loans.

This is not an appropriation of $250,000,000. It is simply an authorization to the Reconstruction Finance Corporation. If the Reconstruction Finance Corporation can not make loans with adequate security, they do not have to let the money go. If the Reconstruction Finance Corporation does not find the necessity for furnishing this credit, the money will remain in the Treasury. Senators are willing to trust the Reconstruction Finance Corporation with $3,500,000,000 to hand out to other industries according to their judgment and according to whatever terms they may see fit to adopt, and yet they are not willing to trust the Reconstruction Finance Corporation and their integrity to loan even the insignificant sum of $40,000,000 to agriculture. Senators are not willing to give them the authority to do even that much. They are not willing to trust the board, and yet they are willing to hand out $3,500,000,000 and turn it over to this corporation to dispose of as they may see fit.

I submit to the Senator from South Dakota [Mr. NORBECK] that that is the truth. My amendment provides a limit of credit of $250,000,000. What proportion is that of the $3,500,000,000 which has been given to the Reconstruction Finance Corporation? It is only about one-fourteenth. If they loaned the whole $250,000,000, they would be allocating to agriculture in all its branches only one-fourteenth of the entire amount that is being devoted to industry and self-liquidating corporations.

Mr. President, I submit the amendment as a substitute for the plan carried in the bill. I do not want to have the credit limited to the Farm Board. I want every cotton dealer and every wheat dealer in America, if he can find a foreign market for his products and needs financial assistance to carry out the operation, to have access to the Reconstruction Finance Corporation. I would not limit it to the Farm Board.

But, Senators say, we are not going to help things by peddling out this surplus; we are not going to help agriculture in that way. What is going to be done with this surplus? As long as it is hoarded, as long as the Farm Board keeps it locked up in the warehouse, it is a drug on the market. The surplus is squarely straddle of the market for wheat and cotton and will be a burden on the market as long as it is in existence. We have to get rid of it some way, either by giving it away, feeding it to the hungry, or selling it in the world market. I propose this amendment as a method of dealing with the problem normally, sensibly, on sound security, according to every manner and fashion provided for the handling of other transactions by the Reconstruction Finance Corporation.

Mr. BLACK. Mr. President, I dislike very much to find myself in opposition to the viewpoint expressed by my good friend the Senator from Texas [Mr. CONNALLY]. The amendment which has just been offered shows the extent to which we are going in connection with the Government supplying money for various specially favored businesses.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. Did the Senator from Alabama vote to create the Reconstruction Finance Corporation and to provide it with $2,000,000,000?

Mr. BLACK. The Senator from Alabama did not, and he spoke against it as vigorously as he could.

Mr. NORBECK. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from South Dakota?

Mr. BLACK. I yield.

Mr. NORBECK. In all good nature, without being critical of my good friend from Alabama, I desire to say that I do not think he should make that statement. It was only yesterday that he talked to me about a very big proposition along this line.

Mr. BLACK. I shall be glad to explain to the Senate what that was.

Mr. NORBECK. The matter to which I refer will come up later, but I do not think the Senator from Alabama is in a different class from the rest of us.

Mr. BLACK. I do not claim to be. I do claim, however, just as I said with reference to the Reconstruction Finance Corporation, the bill when it was before the Senate, that it was nothing more nor less than communism turned upside down. The communist believes in taking money from the few and favored rich in order to distribute it among the many poor. The Reconstruction Finance Corporation act adopted exactly the opposite plan; it proposed to take the

money of the people throughout the country, rich and poor, in order to benefit a few favored taxpayers who could borrow from that corporation. It is but natural that we should advance step by step; and I am frank to state that if this amendment should be adopted, I would favor broad and blanket authority being given to the corporation to lend money to every deserving business in America. Why is it right to select one group engaged in business and industry and lend it money and not at the same time assist every business enterprise in America which is likewise near the shoals of adversity and insolvency? There are in every agricultural section of this Nation merchants upon whom the farmers depend for their yearly supplies who are on the verge of insolvency. Why should we not also take money from the taxpayers and lend it to them? I do not know but that such a plan will later be adopted. I can not tell as we rush on one step after another.

It is a little strange, however, that those who are most responsible for the initial step taken by the Government are those who have made the most complaint about the Government in business and about State socialism. It was members of the group who have stated that certain other people wanted to engraft State socialism on the Government who adopted the plan of digging down into the pockets of the taxpayers to carry on private business that can not stand on its own legs.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BLACK. I yield.

Mr. GORE. I should like to ask the Senator from Alabama a question. If the Government of the United States is to embark upon the policy of extending credit to one class and another class, to one individual and another individual, does he think there is any proper point where it can stop short of extending universally equal privileges and equal rights to all in this country, whether corporation, firm, or individual? If we are going to draw the line with individuals, what is to be the standard? Has not one citizens as much right to borrow from the Treasury of the United States as has another, if he needs it or if he fancies he needs it?

Mr. BLACK. Mr. President, I agree with the Senator absolutely. As I have said, if we are going to broaden the terms of the law, why not let the Reconstruction Finance Corporation lend to everyone engaged in a business which aids to carry on the commerce of the Nation?

Mr. President, I am very frank to state that, in so far as I am concerned, if I believed that this amendment would be an advantage to agriculture I would vote for it, not because I do not believe it is wrong in principle but because I do not believe it is any more wrong in principle than the original enactment of the Reconstruction Finance Corporation. However, I do not believe that this proposal would be beneficial to agriculture. On the contrary, I do not see how it would benefit agriculture to lend money to those engaged in the business of selling agricultural products in order that they might seek for and try to find markets throughout the world. The markets are there. We have heretofore depended upon the regular business methods to secure those markets. The original amendment which I opposed provided that $40,000,000 should be turned over to the Secretary of Agriculture in an effort to find markets.

In the first place, I do not believe the Secretary of Agriculture would be the proper man to whom to turn over the $40,000,000. I believe such a course would simply give aid and employment to a large number of deserving Republicans throughout the country during an election year. I am very frank to state that I believe it would go farther and farther toward building up a vast political machine such as much of the so-called relief legislation at this term of Congress has made possible.

If we are going to give wheat and cotton to the people of China, why not give it to them directly? Why pay for the privilege? We can give it to them without appropriating $40,000,000 of American money to do so. They are ready to accept it; they will give us worthless bonds. Why turn over to the Secretary of Agriculture or any board $40,000,000 or any other amount for the privilege of giving the money away to nations that can not pay us? If we were to adopt that exact policy in the business life of our Nation, it would bring about insolvency to every merchant in the country.

Any merchant in an agricultural community can sell his goods to the people in that section if he will first let them have the money with which to buy; there is not any doubt about that; and this provision proposes to turn over to the Secretary of Agriculture $40,000,000 to be used evidently in advancing money to people across the water who have no money with which to buy our products.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. How does the Senator distinguish between the line of argument he is now employing and his eloquence here the other day in asking the Government to loan money to farmers in his State and my State and other States? What is the difference?

Mr. BLACK. I should be very glad to say to the Senator exactly what I stated a few minutes ago. In the first place, if the Government is going into the business of advancing money and helping the people of this country, I prefer the old Jeffersonian principle of starting at the bottom instead of lending it with the idea that big business will let it trickle down to those below. That is exactly the line of distinction. If we are going to advance money as we have done, if we are going to appropriate $2,000,000,000 to lend to those who control the financial affairs of the Nation on the theory that it may trickle down and a few crumbs may fall from the table of the specially privileged, then I say go farther, vote the money directly to the man who is down below and trust, if possible, that perhaps a little of it will ascend to those who are in the higher brackets. That is exactly the line of reasoning. This amendment proposes to lend money to every cotton broker, every wheat salesman in America, and to every grain exchange, if they want to buy, and every other business enterprise in the country.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield further to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. Does the Senator think he is quite fair in making that statement?

Mr. BLACK. That is as I understand it.

Mr. CONNALLY. No; the Senator can not understand it in that way, if he will read the amendment, for it says that the Reconstruction Finance Corporation shall have authority to do that.

Mr. BLACK. That is correct.

Mr. CONNALLY. It shall have the authority to make loans that are sound.

Mr. BLACK. That is correct.

Mr. CONNALLY. The Senator says that every cotton and wheat merchant in the country could borrow money under this provision.

Mr. BLACK. If I left the impression that the mere application for the loan would be sufficient to secure it then, of course, I correct it, because the application must be passed upon by the board; there is no question about that.

Mr. CONNALLY. Certainly, and the board is not supposed to make a loan unless it is a good loan and the money is going to be paid back.

Mr. BLACK. My experience has been that when we start out in the business of subsidies the money does not come back. I am reasonably familiar with the subsidies supplied to the shipping interests of the Nation. Throughout the history of such transactions I recall that in each instance the final and net result has been that the Government lost money, and that will always happen. If the Government supplies money to conduct business enterprises, it means, sooner or later, that the Government loses the money, because if a business enterprise can not carry itself on its own plan, and with its own initiative, sooner or later the business enterprise will fall by the wayside. It is the same oppo-

sition that I have exactly to the ship subsidy. I have voted consistently against subsidies to the shipping interests, and I have done so because history shows that, with all the evils of Government operation of shipping, there is less danger to the public by reason of the Government itself operating shipping than there is in turning Government money over to private business operating shipping, with all the fraud and corruption that eventually result from it.

It will be recalled that it was impossible even to secure an amendment to the Reconstruction Finance act limiting loans unless the company that applied for the loan would limit its agents and officials to a reasonable salary. That is one of the troubles of providing Government money with which to operate private business.

In so far as I am concerned, I do not know but that, on a thorough investigation by a committee, it might be shown that the Government could obtain an advantage from some appropriation providing for the financing of the crops of the Nation in foreign countries, but there has been no such investigation. We propose here at the outset to provide $40,000,000 without an investigation—for what purpose? It is shrouded somewhat in mystery; one Senator said it was proposed for one purpose and two Senators said it was proposed for another purpose. There has been no hearing; there has been no printed report brought here to show the necessity for such an amendment; but at the very time we are proposing $40,000,000 without a hearing, there has been under discussion for weeks and for months a proposal affecting the salaries of Government employees, which will only bring about a reduction of $80,000,000. We propose to provide an appropriation of $40,000,000 without batting an eye or having a hearing, when we are claiming that we are here in the interest of Government economy. We have spent weeks and months trying to whittle down salaries in the effort to save $80,000,000, and then we propose to appropriate $40,000,000 without a hearing. That is the chief objection which I have to this proposal at this time.

There was no hearing before the committee. The administration wanted it and the administration tried to get it through the House. The House leaders objected to it; it has been tried in connection with about seven different bills, and the House leaders would not accept it, and then, without a single hearing or a single word, it was written in the bill, and we are proposing to appropriate $40,000,000 without the slightest proof from any source that a single farmer in America will receive a dollar's advantage. That is the opposition I have to the amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. If a single farmer could get money under it, would the Senator favor it?

Mr. BLACK. No. If a single farmer got $10 that it took $40,000,000 to give to him, I would not. I want to find out first how much benefit will come to any farmer from the $40,000,000.

I think I know where a great deal of it would go; in fact, I have no doubt about it. It proposes to set up a large agency under the Secretary of Agriculture. I know the Secretary of Agriculture; I know his partisanship; I know the methods of appointment adopted by the Secretary of Agriculture and the Agricultural Department. It would mean the appropriation of millions of dollars to employ deserving Republicans to travel all over the world seeking markets at a time when markets can not be obtained. It would mean setting up a huge political personnel in this country in addition to those which have already been created. I have no doubt about that, because when we turn over $40,000,000 to the Secretary of Agriculture, knowing the Secretary of Agriculture and the methods he uses with reference to the selection of agents, I know where those agents would come from; and, in the main, I know the political tenets to which they would promise allegiance. I have had some experience in that; and whenever we turn over $40,000,000 at this time, just before an election, without a hearing, without a plan, without there having been a single witness before a committee to show that the farmers get the advantage of it, I think I know where the chief advantage will go.

Mr. GORE. Mr. President——

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BLACK. I yield to the Senator.

Mr. GORE. I should like to call the Senator's attention to the fact that House Joint Resolution 394, introduced by Congressman STRONG of Kansas, and written, as he said, by the Secretary of Agriculture, contains a provision that the Secretary of Agriculture can make these foreign sales of cotton and wheat through an export agency. That is the phrase used. That is the power granted—a plenary grant of power. There is no limitation, no further definition, no further direction; but he may effect these sales of cotton and wheat through an export agency plus this further authorization:

Or any other agency that he may see fit.

Mr. BLACK. I thank the Senator, because I have no sort of doubt about the power that the Secretary of Agriculture will have. I know that the committees in the House, controlled by the Democrats, have declined to report out this particular measure. They have opposed it, not only because of the fact that it is not a just bill, but because of the fact, perhaps, that they do not want any such agency given to the Secretary of Agriculture.

The Senator from South Dakota [Mr. NORBECK] asked me a few moments ago about a bill in which I was interested. I shall be glad to explain to him what that bill is. In so far as I am interested in that bill, it contains a provision requiring the Secretary of Agriculture to construe a loan for the benefit of farmers exactly as the Senator said he should have construed it in the beginning. That was the sole interest I had in it. That bill was passed. It provided for $50,000,000 of loans to the farmers. The Secretary of Agriculture came along and construed it in a way that gave the loans to as few farmers as possible and prevented as many as possible from having them.

When I took up the matter before the committee the committee unanimously agreed, as I recall—at least, the statement was so made on the floor by the Senator from Virginia [Mr. GLASS]—that the Secretary of Agriculture had construed the law contrary to the intent of the Congress in passing it, and they reported out that bill. When it came out the Senator from Virginia [Mr. GLASS] made the statement that it was reported by the committee and that the committee did it with the belief that the construction of the Secretary of Agriculture was contrary to the plain and manifest intent of Congress. That was the bill which I offered and to which I called the Senator's attention on yesterday.

An amendment was placed on that bill by the House with reference to certain loans to the farmers who engaged in raising livestock, in which the Senator from South Dakota is far more interested, of course, than the people in the section of the country in which I live. I had nothing to do with that amendment. I am personally of the opinion that his construction of that was also wrong and contrary to the plain and manifest purpose of the act. I believe that when he held that a man who was engaged in raising livestock on the farm was not a farmer he went contrary to every accepted principle of construction which could be adopted. That is the bill to which the Senator referred in his remarks to me.

Mr. NORBECK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Dakota?

Mr. BLACK. I yield to the Senator.

Mr. NORBECK. Does the Senator favor the bill with the amendment now?

Mr. BLACK. Will I favor it?

Mr. NORBECK. Yes.

Mr. BLACK. Why, certainly.

Mr. NORBECK. All right. Let me call attention to two things, and then let the Senator go ahead and explain them.

Mr. BLACK. I shall be glad to do so.

Mr. NORBECK. First, the bill provides for the expenditure of about $140,000,000 by the Reconstruction Finance Corporation to be loaned to farmers. That is, one farmer out of 25 is to be favored with a loan, because that is all that can be taken care of. Who will the 1 out of 25 be?

Mr. BLACK. I shall be glad to answer the Senator's question.

In the first place, the Senator assumes that this bill appropriates $140,000,000, which is not correct. The bill does not appropriate a dollar.

Mr. NORBECK. Oh, well, that is not a fair statement. The money is appropriated. It is the unexpended balance of $200,000,000, of course. It does not appropriate a dollar of new money.

Mr. BLACK. The bill does not appropriate a single dollar; but the bill provides, as I stated before, and as the Senator agreed with me, that the Secretary of Agriculture had construed the earlier act improperly, and it simply requires him to accept the construction which the committee unanimously agreed he should have accepted in the beginning.

Mr. NORBECK. There are two parts to this bill. The first part the Senator has explained entirely fairly; but it was changed in the House, and the Senator says he is for it in its present form. I am speaking of what is before the Senate to be voted on that the Senator says he favors. Talk to us about state socialism! The Senator can match any one of us.

Mr. BLACK. The Senator may be correct. I have found that frequently we can place our own interpretations on any statement that is made. The Senator from South Dakota has a very agile and active mind, and I congratulate him on it.

However, the fact remains, as I stated in the beginning, that I believe the $40,000,000 appropriation will be injurious to the American farmer and not helpful. I am a little surprised that it should have been brought out of a committee without any hearings. Especially am I surprised in view of the fact that every possible pressure has been brought on the House, and they have declined to make a report on that measure. For months attempts have been made to get it out. Its advocates have placed it in bill after bill, and the House has declined to report it to that body. There is absolutely no connection whatever between the measure to which the Senator has referred and the measure appropriating $40,000,000 to be turned over to the Secretary of Agriculture for the purpose of attempting to sell our crops abroad.

In the first place, I am very frank to state to the Senator that under no circumstances and under no conditions would I vote $40,000,000 to the Secretary of Agriculture to use at his discretion in attempting to aid the American farmer. My experience with him has been such that I do not believe his heart beats in sympathy with the plain, average, everyday American farmer.

Mr. NORBECK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama further yield to the Senator from South Dakota?

Mr. BLACK. I do.

Mr. NORBECK. I am not going to get into any argument with my good friend from Alabama about who is the greater friend of the farmer—the Secretary of Agriculture or Eugene Meyer, the governor of the Federal Reserve Board.

Mr. BLACK. The Senator may have a very perplexing problem suggested to his mind, and it is one which I would not attempt to solve.

Mr. NORBECK. But the Senator has made his choice. He says which one of the two he favors.

Mr. BLACK. I have made no choice—oh, no!

Mr. NORBECK. The Senator said he favors the bill making those livestock loans to the farmers through the Reconstruction Finance Corporation.

Mr. BLACK. If the Senator can get anything out of that, I do not care to discuss it any further. That law was passed. It was passed over my protest. I spoke against it and I voted against it. It has become the law. Since it has become the law, I desire to see that, so far as possible, the Secretary of Agriculture shall be forced to accept the plain intent and purpose of the only provision in that bill which was intended to aid agriculture. He did not do it. He construed it in every way so as to limit the ability of the farmers to borrow.

I saw at one time a mimeographed statement—I believe there were six pages of single-spaced mimeograph statement—with reference to the rules that the farmer had to accept before he could get a loan. Every conceivable plan was devised to curtail the privileges under that bill. The amendment which I offered simply offered a suggestion that the Secretary of Agriculture should construe it exactly as it was intended that it should be construed.

While the question was up, the Senator from Washington [Mr. JONES] offered an amendment which he stated—and which I agreed—further guaranteed that the purpose of Congress in passing the act should be carried out, and his amendment to my amendment was adopted; but it did no more than simply require the Secretary of Agriculture to construe the act as it was intended that it should be construed.

But, Mr. President, I do not care to delay the Senate further. I have answered a great many questions. I simply want to state that I oppose this appropriation of $40,000,000 for the purpose of turning over to the Secretary of Agriculture at this time the right to finance American crops abroad.

If we want to give these crops to the people abroad after we have given to our own people everything that they can use, there might be some excuse for that. A few weeks ago, however, I stood and watched a line as they marched into a store where sacks of flour were put on the backs of various hungry citizens. I saw that in numerous places in my State. I saw men gather who three years ago were in good financial condition, the best farmers in their section of Alabama. I watched them as they marched up to the counter and went away with a sack of flour on their shoulders. I know that there has not been too much flour provided for that section of this country. I know from my own observation that that which we have given heretofore must be increased hereafter.

There are, as stated by the Senator from Georgia, many hungry mouths all over this Nation that should be fed. Why should we appropriate $40,000,000 out of the Treasury for the purpose of finding somebody in a foreign country to give our wheat to, at a time when the farmers, at a time when the people who work and toil, clerks, mechanics, even the lawyers and the doctors in some places over this Nation, are on the verge of hunger to-day?

I can not support a measure which would not only provide for a gift to nations abroad, but would pay $40,000,000 for the privilege of giving it away. If it is to be given, that is altogether a different proposition; but why should we pay money to give it away and hire special Republican favorites to show us how to give it away, when all we have to do is to go into any city or any county in this Nation to-day and find people who are ready to march up to the counter to get a sack of flour to feed the hungry children waiting in their homes?

I can not support that amendment.

Mr. CONNALLY. Mr. President, I have been somewhat astounded at the attitude of the senior Senator from Alabama [Mr. BLACK]. He denounces an amendment which I have offered to provide for loaning money to aid in the sale of the farmers' products on sound security, to be approved by a business agency, the Reconstruction Finance Corporation, and he denounces that as being state socialism.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Alabama?

Mr. CONNALLY. I do.

Mr. BLACK. The Senator will recall that what I stated was, and I repeated it to-day, that when the Reconstruction Finance Corporation bill came before the Senate I stated

that it was state socialism, communism turned upside down. I did not make that statement with reference to the Senator's amendment. I made the statement with reference to the original Reconstruction Finance Corporation bill. I said it then. I repeat it now.

Mr. CONNALLY. I accept the Senator's statement; but does he think that the amendment of the Senator from Texas is state socialism?

Mr. BLACK. I shall be glad to state to the Senator, as I said then, that after that measure was passed, in so far as I was concerned, I would be in favor of broadening it in any way, even though I was opposed to the original principle, if I thought the benefit would go to the plain, average, everyday man, because we had embarked upon the policy.

Mr. CONNALLY. I accept the Senator's statement again. The Senator knows, if he knows anything about what is going to happen, that we have already embarked upon the policy of having the Reconstruction Finance Corporation. The Senator also knows that this bill in some form is going to pass. The Senator, in conformity with the view he took when the Reconstruction Finance Corporation act was passed, opposed the whole measure, yet if it was going to be a policy he would then favor broadening its authority and broadening its activity to include agriculture, why does he now bring all of the ordnance of his forensic ability and his legislative capacity to bear upon the one amendment that has for its purpose doing something for the American farmer?

Mr. BLACK. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BLACK. I will be glad to state to the Senator, because, as I said, I do not agree with the Senator that this amendment which was placed in the bill will assist the farmer. There is a difference, not in the objective but a difference in belief, as to whether or not the particular proposal will give any benefit to the farmer.

Mr. CONNALLY. I accept the Senator's statement again. The Senator does not think that improving a market in which the farmer has to sell will help the farmer. The Senator evidently believes that the way to help the farmer is to encourage him to go on producing, and yet instead of having a market for his product to impound it and pile it up, with the hope that some day in the far-off future somebody may give him a better price.

My meager knowledge of economics teaches me that when there is a demand on the stock market for an article it goes up. My meager experience teaches me that in a case where a merchant is overstocked he gets rid of his stock, even though he may take a temporary loss, because he knows that only by getting rid of the old, shelf-worn goods can a new market be stimulated for the goods coming from the factory. I am looking to the crop of 1932 and to the crop of 1933. I want the American farmer to live past the present primaries and past the coming election in order that he may have permanent prosperity.

Oh, but the Senator says, this will not do the farmer any good. He does not favor the reconstruction finance system, because it is State socialism, and yet the Senator introduced Senate bill 4780, making effective all during this year more than a hundred million dollars in the hands of the Secretary of Agriculture for loaning to individual farmers.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. CONNALLY. Just a second.

Mr. BLACK. The Senator is mistaken about that. I know he does not want to make a statement that is not correct.

Mr. CONNALLY. Is not that the effect of the House amendment?

Mr. BLACK. The House amendment? I am not familiar with the House amendment.

Mr. CONNALLY. The House amendment is pending here, and I understood the Senator was going to call up the bill and have the amendment concurred in.

Mr. BLACK. If the Senate desires to concur in it.

Mr. CONNALLY. Is the Senator in favor of it?

Mr. BLACK. I am interested in the House amendment, but the amendment which I offered—I know the Senator wants to be fair——

Mr. CONNALLY. I want to be fair, and I have the Senator's amendment before me now.

Mr. BLACK. If the Senator will look, he will see that it does not add a dollar to the appropriation. It is nothing in the world except a provision requiring the Secretary of Agriculture to construe that measure as the Senate committee said he should have construed it in the beginning.

Mr. CONNALLY. I agree with the Senator that the Senator's amendment does not add a dollar to the appropriation; the appropriation has already been made, and the Secretary of Agriculture has over a hundred million dollars; but the Secretary of Agriculture has quit loaning the money, because he construed the act to mean that he had no power to lend any more, and the Senator's amendment provides that he shall go on lending it, that he shall continue to lend it, when he had already shut off lending. Yet the Senator now says that his amendment did not have the effect of increasing the appropriation. Technically, no; but the effect of the amendment of the Senator from Alabama was to make the Secretary of Agriculture lend money to individual farmers after he had construed the law to curtail his power and had stopped lending. Am I not correct?

Mr. BLACK. The Senator is correct to this extent, that the law had been enacted, and I voted against the bill, but the law had given him the right to make loans to individual farmers. The Secretary of Agriculture construed it in the way he usually does, so as to make loans to as few as possible.

Mr. CONNALLY. Has not the Senator confidence in the Secretary of Agriculture to make these loans?

Mr. BLACK. I will state this to the Senator, that personally I would far prefer to have the authority vested in some other body, rather than the Secretary of Agriculture.

Mr. CONNALLY. As I understand the Senator now, he says that he voted against the original bill. He therefore is against the policy; but since it had been undertaken, he favored, then, carrying it on. Very well. Under that act as passed the Secretary of Agriculture says, "I have no further power to make loans to individual farmers," and the Senator from Alabama, his soul wracked with opposition to the principle, absolutely opposed to the whole principle of the reconstruction bill, yet is the one who introduces a bill to open up the Secretary's hands, to make him do what he says he has not the power to do, and in order to do it, he has to introduce a special act, and I hold the measure in my hand.

As I understand the Senator from Alabama, he is in favor of the Government lending to individual farmers, but he is not in favor of lending to the merchant who buys the farmer's products in order to enable the merchant to sell those goods, and thereby create a market for the farmer. I believe that if it is sound to lend to the individual farmer, it is sound to lend to anyone else dealing in his commodities, in order to carry out a marketing program, in order to sustain agriculture.

What good does it do to lend to an individual farmer, to enable him to make a crop, and then, when he gets the crop, he can not sell it—there is no place to carry it? It is an economic fallacy, it is an economic crime, to encourage a farmer to raise a crop, and then deny him a market in which he can sell his crop. But the Senator from Alabama believes in that policy. "Come on, farmers, to the Treasury, all of you, individually, come up and help yourselves, but the moment you get the money we will not allow the manufacturer or the exporter of your goods a dollar in order to sell your goods in foreign markets."

The Senator has said that he does not trust the Secretary of Agriculture because he has no sympathy with the farmer, so the Senator from Alabama says. He does not believe that the heart of the Secretary of Agriculture beats in unison with the great farming interests of our Nation.

Mr. President, I hold in my hand here a measure introduced by the Senator from Alabama, Senate Joint Resolution 131, to provide a system in the rehabilitation of cer-

tain storm-stricken areas in the United States and in relief of unemployment in such areas.

Whereas the States of Alabama, Georgia, South Carolina, and Kentucky are suffering from the effects of recent storms—

And so on, and so on. Then the Senator from Alabama provides what? Who is going to make these loans? The Reconstruction Finance Corporation? No. The Secretary of the Treasury?

Mr. BLACK. Mr. President, will the Senator yield?

Mr. CONNALLY. In just a moment.

Mr. BLACK. I would like to ask the Senator whether he has the first bill I offered, when I placed the matter in the hands of the Reconstruction Finance Corporation, and when the committee insisted that I should change it and put it into the hands of the Secretary of Agriculture?

Mr. CONNALLY. I do not know about that. I sent out to the document room and asked them to send me all bills for loans to farmers, knowing that there would be a good many of them. I do not know yet what the others provide.

I am referring now to Senate Joint Resolution 131. Did he put the authority in the hands of the Farm Board? Oh, no; you can not trust the Farm Board. Did he put it in the hands of the Treasury, which handles the business of the Nation? No; you can not trust the Treasury. Did he put it in the Reconstruction Finance Corporation, which has handled all of this reconstruction work? No; you can not trust those people. But the Secretary of Agriculture is the one who should make the loans under this bill.

That the Secretary of Agriculture—

the enemy of the farmer, the Secretary of Agriculture, whose heart is stone when the farmers are mentioned; the Secretary of Agriculture is the one who is to handle the loans provided to the drought-stricken, storm-suffering people in Alabama. The Senator's own constituency is to be delivered over to this heartless, this mercenary bureaucrat, the Secretary of Agriculture.

Remember, we are against State socialism. Remember, we will fight it. Remember, we are going to stand like a brick wall against State socialism. Let us see what this bill provides:

That the Secretary of Agriculture is authorized and directed—

my amendment simply authorizes. The Reconstruction Finance Corporation is simply authorized, under my amendment, when it finds a sound loan, when it finds that it can not be financed here at home, when it finds that the market would be improved by exporting a commodity abroad, when the Reconstruction Finance Corporation, as business men, think it is a sound transaction, my bill says they "may." The Senator's bill says that the Secretary of Agriculture is "authorized and directed." He has to do it—

immediately to assist in the rehabilitation of the storm-stricken areas in such States.

What States? Alabama, Georgia, South Carolina, and Kentucky. It is unsound to have a national policy which reaches all of the people of the United States, but it is statesmanlike to have one that fits only four States in the Union. It is State socialism if it embraces all of the people, but it is sound doctrine when it touches the citizenship of only four States.

Let us see what else.

For such purposes the Secretary of Agriculture shall have power to make loans to persons in the storm-stricken areas in such States.

Listen to this. I want the attention of the Senator from South Dakota. He may remain seated if he likes, but I want him to listen.

Mr. NORBECK. I will get closer, so that I can hear the Senator better.

Mr. CONNALLY. I want the Senator's attention. What, under this bill, does the Senator from Alabama provide?

For such purposes the Secretary of Agriculture shall have power to make loans to persons in the storm-stricken areas in such States upon such terms and conditions as he shall by regulation prescribe—

There is no requirement there as to whether there shall be any security or not. There may be further on. I shall not foreclose that. It is just as the Secretary of Agriculture may by regulation prescribe. Think about the farmer in need being turned over to the Secretary of Agriculture, without any guidance by the Government. Let the Secretary of Agriculture absolutely sacrifice him, this cruel monster who does not have any sympathy for the American farmer—

including an agreement by the borrowers to use the loans for the purposes specified by him.

He would give the Secretary of Agriculture, this bureaucrat, the power to say to the farmer, "You may have a little money, but I will make you use it as I shall prescribe," not as a free American citizen getting a loan, to do with it as he may, but getting it as a cringing, cowering, humiliated supplicant.

"Give me; oh, give me Government funds, and then tell me how I may use them, tell me that only in this particular way I may employ them."

The bill provides further:

Except that no such loan shall be made for a period of more than 10 years.

Lend him money on moonshine, but he may not lend it for longer than 10 years. My amendment provides that these loans shall be made upon adequate security, and for not more than three years, to sound business concerns. The amendment of the Senator from Alabama provides that they may be made to anybody, with nothing except a promise of future residence in the realm over yonder beyond the silvery clouds, just so you do not make him a loan for more than 10 years. That is not socialism; that is sublime statecraft.

Except that no loan shall be made for a period of more than 10 years or in an amount in excess of $5,000 to any one individual.

Five thousand dollars for what? It is to sufferers from the storm. They need only temporary relief, temporary help.

He wants to give the individuals not more than $5,000 each. That is lots of food for one man to eat until the storm has passed by. That is lots of clothing for one man to use until the storm cloud goes by.

The rate of interest shall be beginning with the fourth year—he gives him three years free interest—the rate of interest upon each such loan beginning with the fourth year—I suppose that is what it means, but if I am in error I ask the Senator from Alabama to correct me. It reads:

The rate of interest upon each such loan beginning with the fourth year shall be 5 per cent per annum, but the Secretary of Agriculture in his discretion may defer the payment of interest upon any such loan for such period of time as he shall deem necessary.

If the old boy with $5,000 in his jeans, with no security for it, and 3 years free interest and with 10 years' time to pay it, has no interest at the end of 10 years, this terrible monster, the Secretary of Agriculture, may waive the interest.

Mr. President, I take off my hat to pay my profound tribute to this constructive piece of agricultural statesmanship in the form of Senate Joint Resolution 131 introduced by the Senator from Alabama.

All such loans shall be made by the Secretary of Agriculture or through such agencies as he shall designate.

Yes; let the Secretary of Agriculture appoint anybody he wants to. The Senator does not trust the Secretary of Agriculture, but if he can not trust him in any other respect, how will he trust him to appoint agents to carry out the plan? Why, Mr. President, it is provided also that all money received during two years shall become a revolving fund. The Senator is looking for another storm at the end of two years. He wants a revolving fund provided from these loans so that the Department of Agriculture, through the Weather Bureau, can hang out a signal, and every time they have a storm or a thunderhead gathering in Alabama he can telephone down to them and tell them to start the loan fund revolving again which has been accumulating under Senate Joint Resolution 131.

Mr. President, I submit that the amendment which I have offered is not State socialism. The Senator from Alabama says he does not favor the whole policy, but now that we have the policy he is in favor of helping to carry out its activities. If that be true, how can he object to my provision for making loans to dealers in commodities? I do not mean loans on mere moonshine. I mean loans on actual cotton and actual wheat and actual security, so that when a merchant sells his commodity abroad and gets payment for it he can repay the Reconstruction Finance Corporation, not in 10 years but in not to exceed 3 years.

When we are appropriating $3,500,000,000 to finance industry and to finance commerce, to build bridges and tunnels, and to set up such self-liquidating corporations, I submit that $250,000,000 as a limit is not too much to designate for the assistance and the relief of that one great industry upon whose prosperity depends all the others that we are now seeking to aid by artificial stimulation. I submit that the Reconstruction Finance Corporation need not loan all of the $250,000,000. I submit that the Government ought to vest that corporation with such authority so that in case there is a demand for this sort of credit by men with security, considering the markets abroad and the necessity to remove the surplus from our own markets, they can make the loans. I submit that no real friend of the farmer can consistently vote against a policy like that while at the same time advocating such a policy as is enunciated in Senate Joint Resolution 131.

Mr. BLACK. Mr. President, I do not want the Senate to forget the issue which is before it. I have been very much interested in the impassioned defense of the Secretary of Agriculture made by the Senator from Texas [Mr. CONNALLY].

Mr. CONNALLY. The Senator made the defense in his joint resolution.

Mr. BLACK. I am delighted that the Senator from Texas made that defense. I tried to explain to the Senator, but it seems it made no difference to him, that I offered the joint resolution providing for the administration of the fund by the Reconstruction Finance Corporation. The measure went to the committee. The committee declined to accept it. I insisted that I did not want it administered by the Secretary of Agriculture. However, upon the insistence of the committee, I amended the language of the joint resolution and offered it in the form from which the Senator from Texas has read. However, of course, it has no materiality to the question which is here involved. It was a very interesting discussion that was made by my friend from Texas, but it has no relevancy to the question before us.

As a matter of fact I was wondering what similarity the Senator from Texas could find in the lending of money to a farmer down in Alabama whose home had been blown away, who had lost the savings of a lifetime, and the lending of money to Clayton & Co., of Texas, for the purpose of engaging in a huge cotton business. It may be there is a similarity. I do not know about that, but I do know that under the joint resolution which I offered it was limited in the making of loans to the individual farmers who had lost their homes and who had seen taken away from them the last vestige of the last plank which they had spent their years in providing to cover their families. Compare that to the loaning of $250,000,000 to every cotton broker, to every large cotton salesman in the United States. It would embrace loans, if the Reconstruction Finance Corporation wanted to make them, to every large cotton broker all the way from Texas to New York. I insist that there is no similarity whatsoever. They are as distinct as the North and South Poles. The joint resolution which I offered was offered in line with the theory which the Government adopted years ago of aiding those in distress brought about through a sudden emergency. It relates to individual farmers.

I went through that section two weeks ago. I went through a little village where every home in it for a space of hundreds of feet had been blown away and not a plank had been left. No, Mr. President, I have no apology to make for having introduced the joint resolution. It was in line with measures which have been offered heretofore. There is no similarity whatever, nor can any be found in voting for that measure and voting for a proposal which would take $250,000,000 of the taxpayers' money, not to rebuild a home which has been destroyed, not to rebuild a barn which has been blown away, but to carry on the business of a cotton broker. I have always thought the cotton brokers should be allowed to carry on their business as other good Americans do, just like any other American business men. If they had competition, it would be all right. If they did not have it, it would be all right. But I am opposed at this juncture to opening up this fund to this particular class of individual business men unless we broaden it so as to include all of the business men who are in distress. If we want the Government to go into the banking business and lend to every distressed business in America, that will be perfectly satisfactory to me.

I want the Senate to understand the issue. It has nothing to do with the joint resolution from which the Senator from Texas read at such great length. I have nothing else to say about that. The amendment which I have offered is to strike from the bill an appropriation of $40,000,000 to be turned over to the Secretary of Agriculture to be used in his discretion in financing crops abroad. I am opposed to that policy. The Senator from Texas has offered a substitute, as I understand it, for an authorization for $250,000,000 to be loaned by the Reconstruction Finance Corporation to various business enterprises. I am frank to state that if it were $40,000,000, and the other were $40,000,000, I would vote for his proposal rather than vote for turning over $40,000,000 to the Secretary of Agriculture for the purposes set out in the bill; but I am opposed to both proposals.

Mr. CONNALLY. Mr. President, I do not care to answer the Senator from Alabama except as to one aspect of his statement. I understand certain of his remarks rather to insinuate or imply that the Senator from Texas had been actuated in this matter with respect to aiding some particular cotton firm or exporter.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Alabama?

Mr. CONNALLY. In just a moment.

Mr. BLACK. I merely wish to say——

Mr. CONNALLY. I refuse to yield now until I shall have concluded.

The PRESIDING OFFICER. The Senator from Texas declines to yield.

Mr. CONNALLY. I want to say that if the Senator from Alabama intended to make or now makes any sort of insinuation of that kind, he speaks that which is not true and which is unworthy of any Senator.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Alabama?

Mr. CONNALLY. I yield.

Mr. BLACK. I was trying to get the Senator to yield when he started to make his statement.

Mr. CONNALLY. I have yielded to the Senator several times. I was not conscious that he wanted me to yield again.

Mr. BLACK. I was trying to get the Senator to yield at the point where he made his statement to which I am about to refer. I made no such intimation. I made no such insinuation.

Mr. CONNALLY. What did the Senator insinuate?

Mr. BLACK. I would not have thought of making such an insinuation. I would not have believed it if anybody else had made it.

Mr. CONNALLY. What insinuation did the Senator make?

Mr. BLACK. I do not think under any consideration the Senator from Texas would be prompted by any motive of benefiting an individual in his State or a business in his State. I have the highest regard for the Senator's integrity and for his ability as a Senator. I always have had and I have now. If there was anything that I said that by any stretch of the imagination under any circumstances or conditions could lead any human being to believe that

I intended to leave such an impression or make such an insinuation, I want at this time to state that it was not intended, that I did not intend it, and that if anyone had said it about the Senator I myself would have resented it.

Mr. CONNALLY. What insinuation did the Senator make?

Mr. BLACK. None whatever. The Senator is entirely mistaken. If I had made it I would repeat it, but I did not make it. I did not intend to make any kind of an insinuation, and if anyone else had made an insinuation about the Senator from Texas I would have resented it myself.

Mr. CONNALLY. I shall be glad if the Official Reporter will preserve the remarks as made.

I do not know the attitude of any single exporter or cotton dealer in my State with respect to the amendment which I have offered. I do not know their attitude. My only motive is in trying to stimulate the cotton and wheat and agricultural markets abroad. Whether or not the Senator from Alabama, in his zeal and vigor in debate, made any such insinuation as that, I desire to express my utter disregard of it. I accept what the Senator said.

The PRESIDING OFFICER. The question is on the substitute proposed by the Senator from Texas [Mr. CONNALLY].

On a division, the substitute was rejected.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama [Mr. BLACK] to the amendment reported by the committee.

Mr. NORBECK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Johnson	Robinson, Ark.
Austin	Costigan	Jones	Robinson, Ind.
Bailey	Couzens	Kean	Schall
Bankhead	Dale	Kendrick	Sheppard
Barbour	Davis	King	Shortridge
Barkley	Dickinson	La Follette	Smoot
Bingham	Fess	Logan	Steiwer
Black	Fletcher	McGill	Stephens
Blaine	Frazier	McKellar	Thomas, Idaho
Borah	George	McNary	Thomas, Okla.
Bratton	Glenn	Metcalf	Townsend
Brookhart	Goldsborough	Moses	Trammell
Bulkley	Gore	Neely	Tydings
Bulow	Hale	Norbeck	Vandenberg
Byrnes	Harrison	Norris	Wagner
Capper	Hastings	Nye	Walcott
Caraway	Hatfield	Oddie	Walsh, Mass.
Carey	Hayden	Patterson	Walsh, Mont.
Cohen	Hebert	Pittman	Watson
Connally	Howell	Reed	White

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Alabama [Mr. BLACK] to the amendment reported by the committee.

Mr. McNARY. Mr. President, let us have the yeas and nays.

Mr. NORBECK. I ask for the yeas and nays.

Mr. BORAH. Mr. President, I want to inquire as to the parliamentary situation. The amendment, as I understand, offered by the Senator from Alabama is to strike out subdivision (b) on page 4?

The PRESIDING OFFICER. The amendment is to strike out subdivision (b) of page 101 extending over to page 102.

Mr. BORAH. I have the reprint of the bill.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama to the amendment reported by the committee, on which the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a pair with the Senator from New Hampshire [Mr. KEYES]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. COHEN (when his name was called). I am paired with the Senator from Minnesota [Mr. SHIPSTEAD]. I find I can transfer that pair to the Senator from Illinois [Mr. LEWIS], which I do, and will vote. I vote "yea."

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL] and therefore withhold my vote. If permitted to vote, I should vote "nay."

Mr. HATFIELD (when his name was called). I have a general pair with the Senator from North Carolina [Mr. MORRISON]. He being absent, I withhold my vote.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I am unable to secure a transfer, and therefore must withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH], who is absent from the city. I am not able to secure a transfer, and therefore withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, I withhold my vote.

Mr. GLENN. I have a pair with the junior Senator from Louisiana [Mr. LONG], who is absent from the city, and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. THOMAS of Idaho (after having voted in the negative). I inquire if the junior Senator from Montana [Mr. WHEELER] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. THOMAS of Idaho. I have a general pair with the Senator from Montana and therefore withdraw my vote.

Mr. FESS. I desire to announce the general pair of the Senator from Colorado [Mr. WATERMAN] with the Senator from Washington [Mr. DILL].

The result was announced—yeas 33, nays 39, as follows:

YEAS—33

Ashurst	Costigan	McGill	Thomas, Okla.
Bankhead	Fletcher	McKellar	Trammell
Black	George	Metcalf	Tydings
Blaine	Gore	Moses	Wagner
Borah	Harrison	Norris	Walsh, Mass.
Bulkley	Kendrick	Pittman	Walsh, Mont.
Byrnes	King	Robinson, Ark.	
Caraway	La Follette	Smoot	
Cohen	Logan	Stephens	

NAYS—39

Austin	Couzens	Howell	Robinson, Ind.
Bailey	Dale	Johnson	Schall
Barbour	Davis	Kean	Sheppard
Barkley	Dickinson	McNary	Shortridge
Brookhart	Fess	Neely	Steiwer
Bulow	Frazier	Norbeck	Townsend
Capper	Goldsborough	Nye	Vandenberg
Carey	Hale	Oddie	Walcott
Connally	Hayden	Patterson	White
Copeland	Hebert	Reed	

NOT VOTING—24

Bingham	Glass	Jones	Smith
Bratton	Glenn	Keyes	Swanson
Broussard	Hastings	Lewis	Thomas, Idaho
Coolidge	Hatfield	Long	Waterman
Cutting	Hawes	Morrison	Watson
Dill	Hull	Shipstead	Wheeler

So Mr. BLACK's amendment to the amendment of the committee was rejected.

Mr. TYDINGS. Mr. President, I ask at this time that the amendment which I offered yesterday, in the nature of a substitute for the bill, be brought before the Senate.

The VICE PRESIDENT. There is a pending amendment, and a substitute is not in order until amendments to perfect it have been disposed of.

Mr. TYDINGS. Then I offer the proposition which the clerk holds in his hand as an amendment, to strike out the first section of the substitute and insert in lieu thereof the amendment which I have offered.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Oklahoma?

Mr. TYDINGS. I yield to the Senator from Oklahoma for a question.

Mr. GORE. I desire to make a motion to reconsider a vote that was taken this morning in my absence. I do not

know that the parliamentary situation would require it to be considered now, before the amendment tendered by the Senator from Maryland is submitted, or not.

The VICE PRESIDENT. It is not necessary to consider it at this time. The motion to reconsider will be considered as having been entered.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield to me to have some matter inserted in the RECORD?

Mr. TYDINGS. I yield.

Mr. ROBINSON of Indiana. Mr. President, I have received this morning a telegram from Fort Wayne, Ind., reading as follows:

FORT WAYNE, IND., *June 21, 1932.*

Hon. ARTHUR R. ROBINSON,
United States Senate, Washington, D. C.:

Fort Wayne and Allen County have carried the local unemployment burden thus far, but funds are about exhausted. We need $2,000,000 Federal aid to care for the 9,000 out of work for a 12 months' program.

ARTHUR HALL.
G. IRVING LATZ.
OSCAR FOELLINGER.
E. A. BARNES.
G. V. FULLER,
Executive Secretary Fort Wayne Community Chest.

This is a mere indication of the distress and the need for aid that exists in that Indiana city.

Mr. COUZENS. Mr. President——

Mr. TYDINGS. I yield to the Senator from Michigan.

Mr. COUZENS. Yesterday, when the Senator from Maryland had placed in the bill an amendment providing for preference for World War veterans with dependents, I suggested doing away with labor-saving machinery as much as possible, and confining the work to hand labor. The amendment I desire to propose will not interfere with the Senator's amendment but will be a perfecting amendment in case his amendment is adopted. I wonder if he will yield to me to permit me to submit that amendment at this time.

Mr. TYDINGS. I shall be glad to yield to the Senator from Michigan, as I am in sympathy with his amendment; but of course I am doing it with the understanding that it will not lead to much debate.

Mr. COUZENS. I do not think it will.

Mr. TYDINGS. Will the Senator agree to withdraw his amendment for the time being in the event that it does lead to much debate?

Mr. COUZENS. Certainly.

Mr. TYDINGS. Then I withdraw my amendment temporarily.

The VICE PRESIDENT. The Senator from Maryland withdraws his amendment for the time being. The Senator from Michigan is recognized.

Mr. COUZENS. Mr. President, I desire to draw the Senate's attention to section 6, on page 111, where provision is made, in substance, for the 5-day week and the 6-hour day—in other words, the 30-hour week. I propose to add, at the end of the word "week," on line 23, the following:

Provided further, That so far as practicable, hand labor shall be employed.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. NORRIS. Mr. President——

Mr. TYDINGS. I yield.

Mr. NORRIS. I want to ask the Senator if he will yield while I offer a perfecting amendment on page 102, following the language that the amendment we voted on a few moments ago sought to strike out and failed. I will withdraw it if it leads to any debate.

Mr. TYDINGS. Under those circumstances, I yield.

Mr. NORRIS. Mr. President, on page 102, after line 7, I offer the following amendment:

The Secretary of Agriculture is directed to report to Congress in detail his action under this subsection.

That is merely asking for a report from the Secretary of Agriculture of his action under the provision by which he is given $40,000,000 to use for the purposes named.

Mr. McNARY. Mr. President, the Senator from South Dakota [Mr. NORBECK] has made a strong defense of this whole item. He is absent from the Chamber at this time; and I suggest to the Senator from Nebraska that he withhold his proposal until the return of the Senator from South Dakota.

Mr. NORRIS. I have no objection to that, except it seemed to me to be very appropriate, while that matter is fresh in the minds of Senators, to make this small addition to it.

Mr. McNARY. I should have no objection, and I do not think the Senator from South Dakota would; but I think it would be well to withhold the amendment until he comes in.

Mr. NORRIS. Would the Senator object to acting on the amendment with the understanding that if the Senator from South Dakota objects to it, and wants it reconsidered, I will consent to its reconsideration? I realize that I can offer it at any time; but my reason for offering it now is that we have just voted on striking out that language.

Mr. WAGNER. Mr. President, may I inquire whether it would not be more desirable to put in a time when this report is to be made to the Senate?

Mr. NORRIS. I do not know how long it is going to take the Secretary of Agriculture to get rid of that $40,000,000, so I could not put in the time. If there is any objection to my offering the amendment at this time, however, I will withhold it.

Mr. McNARY. There are some possibilities over reconsideration. The bill will be here for several hours, and I suggest to the Senator that he withhold the amendment.

Mr. NORRIS. All right; I will withdraw the amendment for the present.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. TYDINGS. I yield to the Senator.

Mr. BROOKHART. I desire to offer——

Mr. TYDINGS. May I say to the Senator that I do not yield for the purpose of offering an amendment. I have an amendment of my own pending.

Mr. BROOKHART. I do not think there will be any objection to this amendment. If there is, I shall withdraw it.

Mr. TYDINGS. I have been glad to yield to three or four Senators with short amendments; but I really think I have been as courteous as could be expected, and more so. I value my own amendment somewhat, and I must insist that it be considered next.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Maryland.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KING. I do not want to interfere at all with my friend; but if the amendment just offered were to be adopted it would not preclude consideration of amendments tendered to section 1, would it?

The VICE PRESIDENT. If the amendment is agreed to, it will, because it strikes out section 1.

Mr. KING. Then I should like to perfect section 1 before that is done.

The VICE PRESIDENT. The Senator has a right to do that, if his amendment perfects section 1.

Mr. KING. I dislike to interfere with my friend's amendment, but I want to perfect this section.

Mr. TYDINGS. I have to leave to-morrow afternoon, and I am very anxious to get a vote on my own amendment today. May I say to the Senator that if I lose the floor at this time I rather think it will be difficult for me to get it again; so I ask that he withhold his amendment until mine is voted up or down.

The VICE PRESIDENT. The Senator would not lose the right to offer his amendment. It would still be pending;

but as it strikes out section 1 and substitutes certain matter, the Senator from Utah has a right to perfect the section before the vote is taken upon the amendment of the Senator from Maryland. Therefore, the amendment of the Senator from Utah is in order if he desires to offer it at this time.

Mr. KING. I will trust to the debate and whatever fate attends the amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from Maryland; and the Senator from Maryland is recognized.

Mr. TYDINGS. Mr. President, unless Members of the Senate want the amendment read, or unless they want more discussion upon it, I am disposed to let it come to a vote without further debate. In the few minutes that I shall occupy the time of the Senate, unless I am interrogated, I shall try very briefly to state what the amendment is.

First of all, it provides for a bond issue of $1,500,000,000. Of that sum, $1,000,000,000, in accordance with the Federal highway act, is to be used to build roads, bridges, and tunnels in the States. There is $300,000,000 for rivers and harbors and flood-control projects. That makes $1,300,000,000. About $175,000,000 additional is appropriated for a very selected list of buildings, already approved by the Congress, which are needed, and which I believe upon examination will be held to be economically sound.

I offered this amendment because I was opposed to making loans to States, counties, and municipalities if a sounder program, so to speak, could be promulgated. I thought that the making of loans to municipalities and counties and States was not a sound policy if it could be avoided in this time of extraordinary stress.

The amendment I have proposed provides for nothing more than a continuation of normal Government activity. It provides that we shall do the things which we would do anyhow in the next 10 or 15 years. We will appropriate the money anyhow in the next 15 years to do the very things which my amendment proposes. It would keep the Federal Government out of all this banking business, and, as I have sat here from day to day listening to the discussion of a so-called unemployment relief bill, all I have heard discussed is a banking measure, to lend money to every Tom, Dick, and Harry in the United States.

When the Federal Treasury becomes the financing agency for all kinds of enterprises, then the day of the balanced Budget and of the integrity of the American dollar is gone. We are entering upon a very dangerous domain when we make the Federal Treasury the first national bank of all the business agencies in the United States, including the States and counties and cities.

I furthermore believe that a billion dollar road program has two distinctive appeals. First of all, it would result in work in every part of the United States. Every city, every county, would get its proportionate share. Unemployment, while more aggravated in a particular spot than elsewhere, is general, nevertheless, all over the United States. There is not a county in the country that has not suffered from the effects of the depression, and as relief is divided into two categories, namely, direct relief, by employing the now unemployed, and, secondly, giving them purchasing power, so that industry may employ more people to produce the things which the unemployed will buy, why not spread that help over the entire country?

In addition to that, Mr. President, it would result in the employment of more people, in my judgment, than any other scheme which has been offered here. This business of the Government lending to the A B Bridge Co. or the C D Tunnel Co. ought to be avoided if possible. We have no business taking the money of the taxpayers of this country and parceling it out to business concerns which may want financial assistance. That is not a function of the Government.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BROOKHART. I would like to ask the Senator, not having had time to examine the bill, what he would strike out of the bill?

Mr. TYDINGS. Eventually, if my amendment is adopted, it will strike out everything after the first section.

Mr. BROOKHART. Leaving only the road-building program?

Mr. TYDINGS. No. As I stated in the beginning of my remarks, I offer a billion five hundred million dollars worth of work, a billion for roads, three hundred million for rivers and harbors and flood control, and a little less than two hundred million for a selected group of public enterprises, among which is $20,000,000 for veterans' hospitals and some customs houses.

Mr. BROOKHART. If the Senator offered that as an addition to what is in the bill, I would be glad to vote for it, but I do not feel like voting to strike all of the other things out of the bill.

Mr. TYDINGS. I want to strike them all out and keep the Federal Government within its proper function, which is to do the Government business, to exercise its governmental function, and not go out into the field of lending everybody money.

Mr. President, I doubt very much whether this amendment will be adopted. I am satisfied, from what I have heard, that instead of an employment bill, we are going to have a banking bill. There is no provision for any employment, except indirectly, in this bill, when we eliminate the public-works provisions from the measure.

All it does is to designate the Federal Reconstruction Finance Corporation and authorize it to parcel out the taxpayers' money to every concern which is building public or semipublic improvements.

An amendment was made here the other day to lend money to building associations. No doubt many of them need it, but I simply cite that to show that we are making a banking bill out of this relief bill, and we are making a banking bill rather than an employment bill out of it with the money of the taxpayers of the United States.

Let me illustrate the danger of the self-liquidating projects. The mayor of, say, South Bend, Ind., wants a bridge, or a tunnel, in connection with a highway leading into that city. A contractor goes to him and says, "You can go down to Washington and borrow $2,000,000 to build this bridge." The mayor comes here to the Reconstruction Finance Corporation, the city council, of course, having given him the proper authorization, and gets the taxpayers' money. He takes it back to South Bend, Ind., and with it the contractor builds the bridge. I ask anybody, as a matter of common logic, if in the last analysis the Federal Government has financially aided in building the bridge in South Bend, Ind.?

Mr. PITTMAN. The pending measure is intended as an emergency measure.

Mr. TYDINGS. Yes. But I am afraid the result will be a condition as in the illustration I gave of South Bend, Ind.

Mr. PITTMAN. I wish to say to the Senator that if the Reconstruction Finance Corporation did give to the mayor of a city $1,000,000, or $2,000,000, under this measure, for the purpose of new construction work which did not depend on taxes but would come back from revenue provided for use on that proposition, and it employed men and labor and fed hundreds of families, the fallacious argument made by the Senator would not cause me to vote against it.

Mr. TYDINGS. The Senator started out by saying that my conclusions were inaccurate. I then set up an illustration to prove my conclusions; and the Senator switched his observation by saying that my illustration was accurate; and inasmuch as my illustration proved my conclusion, I not only have my own statement now but the testimony of my interrogator that he was wrong in the premises.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BROOKHART. There is some question on this side as to whether the original sections 2 and 3 of the Senator's amendment have been eliminated.

Mr. TYDINGS. Yes; I took out sections 2 and 3, which provided for financing the projects by a tax on beer. There is no beer, not even water, in this proposition.

Mr. BORAH. Mr. President, is the Senator going to take that part of the amendment to Chicago when he goes to-morrow? [Laughter.]

Mr. TYDINGS. That would be a small part of the amendment I am going to take to Chicago to-morrow.

Mr. President, there are many things for which I have voted during this session which under normal times no one could have induced me to support. I am not saying that all of the things for which I have voted have been sound. I am not saying that I have not voted for some things when really every inclination I had was to vote in the negative. I tried to accord to the President all of the nonpartisan support I could get out of a fairly partisan individual. I voted for some things that I really have had a hard time to support and particularly since we had seen some of those things in operation. But because that has been done in the best of faith is no reason why we should forever continue the course down a pathway which, if we pursue it long enough, in my humble judgment, will wreck the Treasury of this Nation.

Who knows how long this depression is going to last? Is it going to be with us for one year only? Where will we be next summer when we begin to appropriate for the following winter? Suppose the depression lasts two or three years more? Where under God's heaven is the money coming from to finance these undertakings, particularly when we have gone out of the sphere of proper governmental function and indirectly are financing construction companies of the United States with the taxpayers' money? That is the reason why I offered my amendment, perhaps in a futile but well-meant effort to keep the Government in its proper governmental sphere, to keep it from going into fields which under normal conditions no one would dream of having it enter.

We have got to make the decision now whether it is better to appropriate money in line with our Constitution, in line with our traditions, in line with precedents, in line with what we have heretofore considered sound appropriations, or whether we are to continue the policy of throwing open the Federal Treasury as the first national bank of America for every man who has a project, perhaps worthy, and who desires that the Federal Government shall give him the money with which to operate it.

I do not challenge the good faith of anyone who votes on either side of this question. I know men who are going to support the self-liquidating proposition in just as much good faith as I believe I have in opposing it. I know they have reached their conclusions after looking over the situation in the country and trying to reconcile conflicting views. But I submit that we had better pass the road construction bill, which will redound to the wealth of the country, promote the comfort of its people, supply work to every community, and really have something in the end to show for it than to pass the Federal income around to every concern which wants to be financed.

What is the difference in the city of Baltimore coming over here and borrowing $2,000,000 and then giving me a contract to build a tunnel or a bridge, and I wind up with the $2,000,000 of the Federal taxpayers' money? Baltimore city would turn it over to me as the contractor. In the end we are simply using the Federal funds to finance private undertakings. I believe that if we adopt the amendment of the committee and it is signed by the President, the day will come when there will be many who supported it who will regret it. I believe there will be some factors in connection with it which will not make pleasant reading in the newspapers. There will be many of the so-called self-liquidating projects which will not self-liquidate at all. They will be utter failures, and almost all or a large part of the money at least in many cases will be lost.

Mr. President, I doubt very much if there is sufficient support here for my proposition to carry it. It is offered in good faith. I hope the Senate will adopt it.

Mr. President, I suggest the absence of a quorum, so that we may have a vote upon my amendment.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Johnson	Reed
Austin	Costigan	Jones	Robinson, Ark.
Bankhead	Couzens	Kean	Sheppard
Barbour	Dale	Kendrick	Smoot
Barkley	Davis	King	Stephens
Bingham	Dickinson	La Follette	Thomas, Idaho
Blaine	Fess	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Townsend
Bratton	George	McNary	Trammell
Brookhart	Glenn	Metcalf	Tydings
Bulkley	Goldsborough	Moses	Vandenberg
Bulow	Hale	Neely	Wagner
Byrnes	Harrison	Norbeck	Walcott
Capper	Hastings	Norris	Walsh, Mont.
Caraway	Hatfield	Nye	Watson
Carey	Hayden	Oddie	White
Cohen	Hebert	Patterson	
Connally	Howell	Pittman	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Maryland to the committee amendment. The Chair suggests that the amendment ought to be read. It does not appear in the RECORD, and there are no printed copies of it available.

Mr. GEORGE. Let the amendment be reported. It has not been printed and is not in the RECORD, as the Chair has suggested. It ought to be read.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The legislative clerk read the amendment, as follows:

Strike out section 1 of the substitute reported by the committee and insert in lieu thereof the following:

"That there is hereby created a special fund in the Treasury to be known as the emergency construction fund and to be administered by the Secretary of the Treasury as hereinafter provided. For the purpose of providing funds to carry out the provisions of this act the Secretary of the Treasury is authorized and directed to borrow on the credit of the United States a sum not to exceed $1,500,000,000 and to issue bonds therefor to be known as emergency construction bonds in such form as he may prescribe. Such bonds shall be in denominations of not less than $50, shall mature in not less than 10 years from the date of their issue as hereinafter provided, and shall bear interest, payable semiannually, at such rate as may be fixed by the Secretary of the Treasury, but not to exceed 4¼ per cent per annum. The principal and interest of such bonds shall be payable in United States gold coin of the present standard of value, and such bonds shall be exempt, both as to principal and interest, from all taxation (except estate and inheritance taxes and surtaxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"(b) Such bonds shall be offered at not less than par as a popular loan under such regulations to be prescribed by the Secretary of the Treasury as will give all citizens of the United States an equal opportunity to participate therein. Any portion of the bonds so offered and not subscribed for may be otherwise disposed of by the Secretary of the Treasury at not less than par. No commission shall be allowed or paid in connection with the sale or other disposition of any such bonds. All amounts derived from the sale of such bonds shall be paid into the emergency construction fund.

"(c) In issuing the said bonds for said loan the Secretary of the Treasury shall issue certificates, according to what is known as the serial annuity plan, and each series as issued shall be lettered beginning with the letter "A," and so on down the alphabet until the entire amount of $1,500,000,000 shall have been issued, so that the entire principal shall be redeemable as follows:

"Series A, $150,000,000, 1 year from date of issue; Series B, $150,000,000, 2 years from date of issue; Series C, $150,000,000, 3 years from date of issue; Series D, $150,000,000, 4 years from date of issue; Series E, $150,000,000, 5 years from date of issue; Series F, $150,000,000, 6 years from date of issue; Series G, $150,000,000, 7 years from date of issue; Series H, $150,000,000, 8 years from date of issue; Series I, $150,000,000, 9 years from date of issue; and Series J, $150,000,000, 10 years from date of issue.

"(d) As soon after the passage of this act as may be practicable the Secretary of the Treasury shall cause said bonds to be prepared and shall advertise them for sale in such manner as he may prescribe: *Provided, however,* That in the event all of said bonds are not sold promptly upon said offering by the Secretary of the Treasury he shall again offer the bonds remaining unsold at the next earliest practicable date and make such adjustment with the purchasers of said bonds as to interest as the difference between the date of said bonds and the time of purchase shall make necessary.

"(e) Said bond issue shall bear a date to be fixed by the Secretary of the Treasury and not longer than 60 days after the passage of this act.

"SEC. 2. (a) The emergency construction fund shall be used for the purpose of providing for the emergency construction of certain authorized public works with a view to increasing employment and carrying out the policy declared in the employment stabilization act of 1931. The following amounts are hereby appropriated from such fund: To the Treasury Department, $33,949,950; to the Veterans' Administration, $20,232,000; to the Inland Waterways Corporation, $815,000; to the Office of Public Buildings and Public Parks, $1,250,000; to the State Department, $1,453,520; to the Navy Department, $25,109,000; to the municipal government of the District of Columbia, $3,535,400; for the construction of roads, bridges, and tunnels, $1,000,000,000; for rivers and harbors improvements and flood-control projects to be expended under the direction of the Chief of Engineers, United States Army, $300,000,000; for reforestation, $10,000,000; and for planting of trees along improved highways, $5,000,000. All amounts available for highways, bridges, and tunnels shall be apportioned by the Secretary of Agriculture among the several States in the manner provided by section 21 of the Federal highway act, as amended, and shall be available for expenditure on highway projects approved by the Secretary of Agriculture in the same manner, so far as practicable, as other funds appropriated for carrying out the provisions of such act, except that no part of such amounts apportioned to any State need be matched by the State.

"(b) The amounts so appropriated shall, so far as practicable, be expended on authorized construction projects covered by the report of the Federal Employment Stabilization Board transmitted to the Senate January 25, 1932, pursuant to Senate Resolution No. 127, Seventy-second Congress, first session, agreed to January 7, 1932, and shall be made available at such times and in such amounts as may be necessary to complete such projects at the earliest practicable date. In the event that an appropriation has heretofore been made for any such project the amount thereof shall be covered into the Treasury as miscellaneous receipts. All amounts appropriated for reforestation and for planting trees along improved highways shall be expended under the supervision of the chief of the forestry service.

"SEC. 3. In the employment of labor in connection with any project provided for in this act, preference shall be given to ex-service men with dependents.

"SEC. 4. This act may be cited as the 'Emergency construction act of 1932.'"

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland. [Putting the question.]

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. The amendment is lost.

Mr. TYDINGS. Mr. President, I was on my feet before the Chair really announced the vote, and I wanted to ask for the yeas and nays. I now ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been demanded. Is there a second? [A pause.] The yeas and nays are not ordered.

Mr. TYDINGS. I ask for a verification by a standing vote of the announcement of the Chair that the yeas and nays were not ordered.

The PRESIDING OFFICER. Those seconding the demand for the yeas and nays will rise. [A pause.] There is not a sufficient number to second the demand; and the amendment is rejected.

LEGISLATIVE APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES. Mr. President, I think I should present a conference report and ask for its present consideration in order to expedite business that really has to be transacted. So I present a conference report and move its present consideration.

Mr. KING. What is the conference report?

Mr. JONES. It is the conference report on the economy bill.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WALSH of Montana. If the motion of the Senator from Washington shall prevail, will it displace the unfinished business?

The PRESIDING OFFICER. It will not, because the report for which the Senator from Washington asks consideration is a privileged matter. The report will be read.

The legislative clerk proceeded to read the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate (Nos. 46–168, both inclusive) to the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. ROBINSON of Arkansas. I ask for a suspension of the reading of the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, I desire the attention of the Senator from Washington [Mr. JONES]. The indications are that the amendments to the text of the bill now under consideration, with the exception of the one proposed by the Senator from New Hampshire [Mr. MOSES] and another amendment in the nature of a substitute, have about been disposed of. I believe that if the Senate might be permitted to proceed with the bill now under consideration we could reach a conclusion of that measure before the end of this day. I am told that there will be some discussion of the conference report presented by the Senator from Washington. There is no disposition here, of course, to defer that unduly or to fail to take proper action on it.

I wonder if the Senator from Washington would not permit us to proceed for a time with the pending bill? He has been very generous, and we appreciate his action in that particular.

Mr. JONES. I am anxious to have the conference report disposed of to-day.

Mr. ROBINSON of Arkansas. Of course I can only give the Senator from Washington the assurance that I have just stated. There is no agreement to vote on the pending measure and none is possible until some other amendments shall have been disposed of. But the bill under consideration, the so-called unemployment relief bill, itself, must also go to conference and some time will be required to work out the details, probably a considerable time.

Mr. KING. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON of Arkansas. Yes.

Mr. KING. I want to mention to the Senator from Arkansas, and also to the Senator from Washington, so that there may be no misapprehension, that I have several motions I desire to make relative to the pending measure. One is to reconsider the vote by which the amendment offered by the Senator from Pennsylvania [Mr. REED] was agreed to; another to strike out subdivision 2 of section 1, the provision for private corporations receiving aid; and if that should not be agreed to, I shall propose another amendment limiting the amount which may be loaned to any one project to $25,000,000. I thought it was only fair to all concerned that I should indicate that those motions were pending and would be offered.

Mr. JONES. Mr. President, of course, I do not know what discussion there may be of the conference report for which I have moved consideration; whether it will take any considerable time or not; but I thought probably we could soon dispose of it. If it should take some little time, why then I think it is rather important that we should proceed with it and get it disposed of, because a number of appropriation bills, as I stated this morning, have to be passed and be in operation before the 1st of July. Some of them ought to be in effect previous to that time, so that matters can be properly carried on. I want to dispose of the conference report to-day. If by withholding it a couple of hours, it can still be concluded to-day and allow the consideration of the pending measure to proceed, I am perfectly willing to do that.

Mr. ROBINSON of Arkansas. I suggest that the Senator from Washington take that course for the present, and then if he feels constrained later to proceed with the conference report, he will, of course, be at liberty to do so.

Mr. McKELLAR. Mr. President, may I ask the Senator from Washington if he could not arrange to take the conference report up to-morrow? I have something I wish to say, but I am not prepared this afternoon, and I should like to have the consideration of the report deferred until to-morrow morning. If the Senator can arrange to do that, I will greatly appreciate it.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. JONES. Mr. President, I want to accommodate all Senators so far as I can, but I am also anxious to have the public business transacted. I know there is no disposition unnecessarily to delay the consideration of the conference report, and, if it will help matters to proceed with the pending bill to-day, I am perfectly willing that that should be done; but I wish to give notice that on the opening of the session to-morrow I will ask that the Senate proceed with the consideration of the conference report. For the present, therefore, I withdraw the conference report and my motion, but I give notice that on the convening of the Senate to-morrow I shall make a motion to proceed with the consideration of the conference report.

Mr. MOSES. That being the case, I will now offer the amendment of which I spoke this morning.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire has the floor. Does he yield to the Senator from California?

Mr. MOSES. I yield.

Mr. JOHNSON. I wish simply to request that the report submitted by the Senator may be printed in the interim so that we may have it before us to-morrow morning.

Mr. JONES. It is printed in the RECORD in the proceedings of the House and the Senator can also secure a printed copy of it.

Mr. JOHNSON. Very well.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Utah?

Mr. MOSES. I yield.

Mr. SMOOT. I desire to give notice that following action on the conference report on the legislative appropriation bill involving the economy program, I intend to ask that the Senate proceed with the consideration of the independent offices appropriation bill. I do not think that it will take very long to consider that bill.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program, and providing a method of financing such program.

Mr. REED. Mr. President, will the Senator from New Hampshire yield to me?

Mr. MOSES. I yield.

Mr. REED. The Senator from Utah [Mr. KING] has stated that he expects to make a motion to reconsider the vote by which the amendment was added at the end of the bill dealing with certain Army construction. I hope the Senator will do me the kindness of making that motion at some time when I am on the floor, because it will be my duty to make the point of order against the motion that it is too late.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Montana?

Mr. MOSES. I yield.

Mr. WALSH of Montana. I desire to address myself to the matter just adverted to by the Senator from Pennsylvania.

I was not present when the amendment was offered or adopted and I had no opportunity whatever to know anything about it until the reprint of the committee amendment with the amendments heretofore adopted to it was laid on our desks this morning. I assumed that it was an amendment providing simply an appropriation for the construction of Army buildings according to the housing program, and I should have no particular objection to that; indeed, in the drafting of the bill consideration was given to the question as to whether an appropriation should not be included in the bill for some such purpose.

But, Mr. President, now that I have an opportunity to read the amendment, I find that it not only makes an appropriation of $15,000,000 for housing work and similar construction but undertakes to specify the particular housing construction that shall be undertaken under this provision, without any information, so far as I know, on the part of the Senate concerning by whom the selection was made or about the necessity for the particular buildings included in the item.

With respect, for instance, to the general building construction provisions of the bill there is an appropriation of $100,000,000 for the construction of buildings pursuant to the survey heretofore made and according to the selection and choice made by the Secretary of the Treasury and the Postmaster General. There is no attempt to specify where the construction shall take place or what buildings shall be constructed except as thus indicated.

Considerable criticism has been directed against the House bill by reason of the fact that it undertakes to specify the particular works for the construction of which the bill provides. It has been referred to opprobriously by reason of that feature of the bill, and it occurred to me that much the same manner of criticism might be directed at this particular feature of the amendment offered by the Senator from Pennsylvania.

This amendment, for instance, provides for the construction of a quartermaster maintenance building at Albrook Field, Canal Zone, for buildings at Barksdale Field, La., for buildings at Fort Bennings, Ga., for buildings at Fort Douglas, Utah, for construction at Edgewood Arsenal, Md.——

Mr. MOSES. Mr. President, I do not wish to imperil my possession of the floor. However, if this colloquy is not going to run much longer, I shall yield.

Mr. WALSH of Montana. It would look at least as though it would be open to the criticism that these items are incorporated for the purpose of getting support for the amendment.

Mr. REED. No, Mr. President. Will the Senator from New Hampshire yield to me to reply? If so, I will be very brief.

Mr. MOSES. I yield.

Mr. REED. The matter of Army housing has always been handled in this way; that is to say, the Congress has specified where each improvement shall be made and how much shall be expended upon it. The amendment is substantially the same as the provision which was embodied in the original Garner bill, and the list was taken from an Army housing bill worked out after careful study by the House Military Affairs Committee, some member of which visited every single post mentioned in the list, with the exception of one.

Mr. WALSH of Montana. Let me ask the Senator a question. It is now suggested to me that the amendment of the Senator from Pennsylvania was directed to the House text.

Mr. REED. No, Mr. President.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire has the floor. Does he yield; and if so, to whom?

Mr. MOSES. I have been yielding to the Senator from Pennsylvania and to the Senator from Montana, but as I said, Mr. President, I do not wish to imperil my possession of the floor.

Mr. ASHURST. Mr. President, I have no antagonism to the amendment——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield; and if so, to whom?

Mr. MOSES. I yield now to the Senator from Arizona.

Mr. ASHURST. I thank the Senator. I was here when this amendment was adopted and I believe the chairman of the committee, the Senator from New York, understood—and that the Senate understood—that the amendment proposed by the Senator from Pennsylvania was to complete the House text of the so-called Garner bill. I know that the Senator from Pennsylvania believed that he was offering an amendment to the so-called Wagner bill; but I recall with vivid distinctness that it was the impression on this side—certainly it was my impression—that the amendment presented by the Senator was to the House text, so that, if and when the House text became a law, the Senator's amendment would be incorporated in it. I had an amendment of almost identical character which was

intended to be offered as an amendment to the House text, so that when it became a law, if ever, my amendment would be in it.

Mr. REED. Mr. President, it is already in the House text.

Mr. MOSES. Inasmuch as this subject is not before the Senate, and will not be until the motion to reconsider is actually made——

Mr. ASHURST. Mr. President, just a moment; a parliamentary inquiry. I understood that this was simply restoring the House text. I have no objection to the amendment; but I know that the able Senator from Pennsylvania would not want to achieve any victory where there was a misunderstanding.

The PRESIDING OFFICER. The Chair is reminded of the fact that this is an amendment to the so-called Wagner bill, on page 114.

Mr. ASHURST. Yes; I am aware of that. I am aware that the RECORD states that; but the Chair is not aware—and I am not aware—that the Senate understood that that was the situation. The Senate believed that we were restoring the House text and not amending the Wagner bill. I state that on my authority.

The PRESIDING OFFICER. The Senator from New Hampshire will lose the floor if he does not proceed.

Mr. MOSES. Mr. President, as I said, this matter is not before the Senate, and will not be until the motion to reconsider is actually made. Therefore I will resume the floor, and move to amend by striking out, beginning on page 103, at line 20, down to the end of line 16 on page 112.

Mr. President, this amendment goes to the heart of the difference of opinion regarding the policy to be pursued in legislation of this character. One school of opinion in the Senate maintains strongly that large sums of money should be raised through bond issues for the purpose of public works, to the end of mitigating unemployment. The other school of opinion—and I adhere to the second school—believes from observation and experience that the moneys already spent for public works under similar circumstances have not produced that mitigation of unemployment which the authors of the legislative projects had in mind.

We discover, from observation in many sections of the country, that when large sums of money are provided for public works, and notably for Federal buildings, the contractors for those projects prove to be, in almost every instance—certainly in a very large percentage of instances—specialized contractors who are familiar with every detail of Federal specifications for buildings, who know how to take advantage of every incident connected with securing a contract, who bring their own organizations to the site of the operation, and who provide little or no local employment.

This very morning in one of the Washington papers was to be found a violent complaint about the situation which has been created in this city in the expenditure of the many millions of dollars which we have authorized for public buildings here, on the ground that practically all of the contracts were awarded to these highly specialized contractors, and that substantially no employment was provided for people in the community.

In other words, Mr. President, those of us who hold opinions similar to mine regarding legislation of this character are of the opinion that the expectations of benefits to be reached under a bill such as this, which is entitled "A bill * * * to create employment by authorizing and expediting a public-works program," are bound to prove futile.

In addition to that, we have spent hours in discussing the form in which we should give aid to self-liquidating projects. The projects contained in the portion of the bill which I am moving to strike out are not only not self-liquidating but they are projects which will set up a perpetual burden upon the Treasury through maintenance, repairs, custodial services, and so forth.

It is believed, if one may read the terms of the bill optimistically, that that portion of the money which is purposed to be used for highway construction will some time come back into the Treasury through deductions to be made from annual grants to the States under legislation already existing. I believe that equally will prove futile, Mr. President, and that no one of the benefits advanced as flowing from this section of the bill can be realized in anything like the measure that the authors of the bill and the committee have in mind.

As I have watched the progress of the bill in the Senate, I have become convinced that the form of the bill is substantially determined upon, and I believe that the fate of the bill is substantially determined upon. Holding those opinions in that special regard, I have no desire to prolong the debate upon my amendment. As a matter of fact, I am under some form of gentlemen's agreement with the Senator from Arkansas that I would, so far as I am concerned, in debating this amendment, confine myself within the limit of time which he this morning suggested. I am doing that, and I am quite content that the amendment shall be submitted to the Senate and voted upon, because this amendment, once disposed of, whether by rejection or agreement, fixes the policy which the Senate believes should inhere in this measure. That, after all, is really the crucial question before the Senate as we consider this proposition.

Mr. BARBOUR. Mr. President, I am in complete agreement and full accord with all that the Senator from New Hampshire has said in respect to that provision of the Wagner bill which provides $500,000,000 to be derived from the proceeds of an extraordinary bond issue, of which approximately $300,000,000 would be used in addition to expenditures already appropriated for public works, and the remaining $200,000,000 would represent the capitalization of approximately a like amount of public-works items to be included in the ordinary Budget for the fiscal year 1933.

We all, of course, know all too well of the struggle through which we have so recently passed to make all possible economies in governmental expenditures, and, when that had been done, to provide sufficient new revenues in the form of increased taxation to balance the Budget. We must all realize, too, what it would mean to float, or try to float, such a bond issue at this particular time, under conditions as they prevail at present.

The device of creating a special fund or extraordinary bond issue does not alter the fact that the expenditures for public works would be increased by $300,000,000 for the fiscal year 1933. Neither, in my opinion, is anything actually gained by the capitalizing of current public-works expenditures, the inclusion of which in the regular Budget must automatically increase the deficit by just that amount.

The Senator from New Hampshire has described so clearly and forcefully the dangerous features of a program of this nature that there is nothing I feel I can add to what he has said, other than to stress the fact that in my opinion any money so expended, particularly for public buildings, actually employs less labor per dollar spent than money spent in other fields of activity, notably in respect to the self-liquidating projects feature of the Wagner bill, of which I have been in favor, as you all know, from the very beginning.

I am therefore forced to vote with the Senator from New Hampshire in favor of striking out this particular feature of the Wagner bill, and I hope his amendment will prevail.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. NORRIS. Mr. President, I desire to offer an amendment which takes precedence over the amendment offered by the Senator from New Hampshire.

Mr. ROBINSON of Arkansas. Very well.

Mr. NORRIS. On page 102 of the bill, at the end of line 7—amending language that this amendment would strike out—I move to insert the following:

> The Secretary of Agriculture is directed to report to Congress in detail his action under this subsection.

The Senate will remember that earlier in the day a motion was made to strike out, on page 101, commencing with line 18, all down to and including line 7 on page 102.

Mr. ROBINSON of Arkansas. Mr. President, may I interrupt the Senator?

Mr. NORRIS. Yes.

Mr. ROBINSON of Arkansas. I do not think any objection can be offered to the amendment which he proposes.

Mr. NORRIS. I offered it once before, and it was objected to.

The PRESIDING OFFICER. May the Chair point out to the Senator that there is an amendment pending.

Mr. NORRIS. The amendment pending, as I understand, is the amendment of the Senator from New Hampshire [Mr. MOSES].

The PRESIDING OFFICER. But it begins at page 103, section 4.

Mr. NORRIS. I have here the printed amendment of the Senator from New Hampshire.

Mr. ROBINSON of Arkansas. May I say to the Senator from Nebraska that different copies are being used. The amendment of the Senator from New Hampshire has no relationship whatever to advances through the Secretary of Agriculture to promote foreign exports. The amendment of the Senator from New Hampshire relates solely to the provision in the bill creating a fund for public works.

Mr. NORRIS. Yes; I understand that, but let me read from it:

On page 102, line 4, beginning with the word "any," strike out down to and including line 5, page 103, and in lieu thereof insert the following.

That is striking out language in the bill that I am seeking to amend.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator will yield, he is erroneously stating the amendment of the Senator from New Hampshire. The amendment of the Senator from New Hampshire, as I understand it, is, commencing on page 103 at line 20, or section 4, to strike out all down to the end of the bill.

The PRESIDING OFFICER. May the Chair point out to the Senator from Nebraska that that is not the amendment.

Mr. Norris. Then I am reading the wrong amendment.

The PRESIDING OFFICER. Yes; the Senator from New Hampshire did not offer the printed amendment which he had on the desk.

Mr. NORRIS. The printed copy that I have of the amendment, then, is not the one that is pending.

The PRESIDING OFFICER. No.

Mr. NORRIS. Then I concede the position taken by the Chair.

Mr. ROBINSON of Arkansas. Mr. President, the amendment of the Senator from New Hampshire is to strike out all language in the bill, commencing with section 4, down to the end of the bill.

Mr. MOSES. Oh, no, Mr. President; not down to the end of the bill, because the Senate this morning passed on the question of the commission in another amendment.

My amendment begins on line 20, page 103; and I move to strike out from that point down to the end of line 16, on page 112—I am now speaking of the official bill—because the Senator will recall that this morning we dealt with the matter of the commission.

Mr. ROBINSON of Arkansas. Yes; and, while it is not important to discuss it, the amendment was correctly stated when I said "down to the end of the bill," because the commission provision has already gone out.

Mr. MOSES. Yes; that is right.

Mr. ROBINSON of Arkansas. The Senator from New Hampshire set an example which I am going to follow. He limited his remarks, and directed them to the issue immediately under consideration. The provision which he seeks to strike out authorizes $500,000,000 through a bond issue for certain public works. In that $500,000,000 is comprehended a sum aggregating about $132,500,000 for public roads, trails, and so forth. That is, I believe, literally the House bill which passed some months ago, and which has been considered from time to time by the Senate.

If the amendment of the Senator from New Hampshire should prevail, the advance for highway purposes will be eliminated. It is respectfully suggested that this road fund is of such a nature that it will reach other than the great industrial centers, that it will provide a measure of employment in many rural communities where conditions are quite as bad as are to be found anywhere else.

It is almost an identical provision with that which was passed by the Senate a year ago at the instance and request of the administration. True, the amount appropriated then was somewhat less than the amount carried in this bill. It would be unfortunate, if this measure is to be regarded as a comprehensive scheme for partially relieving unemployment, to strike out the amount carried for the construction of public highways.

The Senator from New Hampshire has referred to the dangers that the bill would undergo if this provision which he is seeking to strike out should be retained. I wish to emphasize the fact that it would be exceedingly difficult to pass the measure either through this body or the body at the other end of the Capitol with the sum for public roads stricken out. I do not say that by way of threat, but merely in reply to the declaration of the Senator from New Hampshire that the retention of this provision would endanger the bill.

It is inconceivable to me that the President would veto a bill which incorporates an item almost identical with one which he prompted the Congress to pass for a similar purpose a year ago, when conditions relating to unemployment were less oppressive than they are now. If that is the significance of the declaration of the Senator from New Hampshire, I take it that he has been replied to.

Moreover, this measure, in the part proposed to be stricken out, actually takes out of the current appropriation bills approximately $200,000,000. Adding that to the $135,000,000 carried for highways, we have $335,000,000 of the fund which it is contemplated shall be created, obtained by a bond issue.

Of the remainder, there is $100,000,000 which may be used in the construction of Federal buildings already authorized, not appropriated for, and which will replace post offices and other buildings now rented at high cost to the Government. The selections are to be made, within the limitation just stated, by the Secretary of the Treasury. That accounts for the sum of $432,500,000 of the total of $500,000,000 bond issue. This leaves a comparatively small remainder allotted to certain specific purposes which I shall not take time to discuss.

I conceive that the real objection to this provision is found in the fact that it is not comprehensive enough, but the committee which drafted this bill did so at great pains. They made a very careful study of the subject. They invoked and secured the assistance of numerous specialists and experts in the employ of the Government. There is not an item in this $500,000,000 provision that has not been carefully worked out, that is not necessary for the conduct of the affairs of the Government, that is not, in a fair and sound sense, a measure of economy on the part of the administration of the Government.

For these reasons I am unable to give support to the proposal of the Senator from New Hampshire. The subject is one which might be elaborated at great length, but I am going to conclude my remarks with the suggestion that this is a very modest program, it is well thought out, it is in the interest of the Government, and it does tend to afford relief from the constantly increasing unemployment of which we speak so much, and which we do so little to alleviate.

Mr. WAGNER. Mr. President, I shall follow the example of the Senator from Arkansas and express, as briefly as possible, the few thoughts that should be added to what has already been said.

The Senator from New Hampshire [Mr. MOSES] correctly states that this amendment of his will bring forth the two schools of philosophy which are in contention in this body. One school takes the position that we should follow, as the Government has followed in other depressions, the laissez faire policy of waiting for some miracle to bring about a recovery of business and the absorption of the unemployed, and that we should accept with it all the misery, the tragedy, and the loss involved in the destruction of the most cherished of our national assets, the future of our children.

There are others of us here who for some time have been contending that in this crisis, when private industry is paralyzed, when private business is practically at a standstill, when the volume of construction is shrinking, when the prices of commodities are going down, when bread lines are lengthening, and when new unemployed are being added day by day to the 10,000,000 men out of employment now, the Federal Government should take some steps to better conditions. What has Congress done directly along the line of what the Government ought to do, to put those men back to work, and restore their purchasing power? The pending bill, Mr. President, is the first genuine effort to accomplish that purpose.

An objection was urged yesterday by the Senator from Pennsylvania, that perchance this bill might not result in an equitable distribution of the benefits all over the country. I deny that, but in any event it is to me incomprehensible that such an argument should be urged as a reason for adopting the laissez faire doctrine of doing nothing.

It seems strange to me that during the consideration of the reconstruction finance proposal no such suggestion was advanced against the enactment of that legislation. We did not at that time hear asserted the argument that legislation ought not to be passed to arrest the further progress of the depression, and to improve our credit facilities because a bank in some particular section of the country alone would be benefited, or that perhaps only a railroad in Pennsylvania or New York or some other State would be benefited, by the borrowing privilege granted under the act. We were not told that because the benefits might not be distributed uniformly we ought not to enact the legislation at all. If that objection had been urged, the answer would have been made directly that when we benefited any one section of the country, we served the general welfare of the whole country.

The Reconstruction Finance Corporation act has been passed. The Glass-Steagall Act is on the statute books. All of these things we have done. I admit they have been of some benefit. I suppose they prevented the closing of some banks. Perhaps they assisted, for the time being, in preventing our slide down the toboggan of depression. But they have not brought about any recovery in our business conditions. To-day we still face the tragic reality of 10,000,000 or more men out of employment, with several million families now relying entirely upon charity.

By way of interpolation let me suggest that to-day the head of the Salvation Army in New York was in my office, and he told me that 8,000 men were being housed and fed by that organization in the city of New York, men who had come there for aid from different sections of the country. Many of them are professional men and business men, all of them penniless, without anything to eat or a place to sleep, except such as is provided by the Salvation Army. The significant thing he said to me was this. He said, "Senator, these men are all good, patriotic Americans. They have not suggested a word of protest against the Government. They are suffering under this shadow of charitable aid, and all they say is, 'We want an opportunity to work.'"

Private industry, under existing circumstances, is unable to take up the slack. It is unable to provide employment. Shall we, the Government, not use whatever instruments are in our hands to absorb part of this unemployment, to begin the stimulation of business and set in motion the return toward better times? When we once start it, I am sure that as time goes on prices of commodities will increase, and that more than any other change will make possible the resumption of private business activity. Thus far we have been smug, we have been complacent, we have been waiting for some one else to do the job or for some one to perform a miracle and thus bring us back to normalcy; but it can not be done that way.

The program of reconstruction which has been proposed in the pending bill is a very modest one, as the Senator from Arkansas [Mr. ROBINSON] has stated. There is a third school of thought here, and I sympathize with its purposes, composed of those Senators who feel that the program ought to be enlarged, particularly the Federal public-works program which the amendment of the Senator from New Hampshire would strike from the bill. They feel that the bill does not launch a sufficiently large number of public works to give work to a substantial number of the unemployed. I am sure that efforts will be made by them to enlarge that program. The objective of this group I can understand; but I am unable to appreciate the philosophy of those who want to strike out even this modest aid for the employment of our citizens.

In adopting the program of public works we are following a law which is upon the statute books, a declaration which the Congress made over a year ago in a bill which it will be recalled I had the honor to introduce and in the signing of which, after it was passed, the President expressed great gratification. It provides that the Government should prepare our public-works program for a period of six years in advance so that if an industrial slack should come upon us we would be in a position to accelerate public construction and take up the slack in private industry. We are to-day simply following the declaration of Congress, and the declaration indeed of the President, because in signing the employment stabilization act he called the attention of the country to the fact that the proposal was not entirely new and that he himself, in 1921, had advocated the formulation and enactment of similar legislation.

Mr. President, under the program, as the Senator from Arkansas has said, and may I reiterate it for the sake of emphasis, we take only such projects as have been authorized and approved by Congress and the President, such as have been planned, and upon which we are ready to proceed. It is conservatively estimated that upon the Federal public-works program alone, which the Senator from New Hampshire is attempting to strike from the bill, over 500,000 men can receive employment.

I can not believe in this crisis, when the whole country is looking tearfully to us, still pessimistic, but looking for a ray of hope from the Capitol, praying for aid in the reestablishment of confidence and the recovery of business, that we will say "no"; that we will not even use the instrumentalities within our control to help the workingmen of the country redeem their self-respect by employment and to restore purchasing power to the American people. That road of inaction does not lead to better times.

Mr. President, I hope the amendment will be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. MOSES] to the amendment of the committee.

Mr. MOSES. I demand the yeas and nays.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Kendrick	Schall
Austin	Couzens	King	Sheppard
Bailey	Dale	La Follette	Shipstead
Bankhead	Davis	Lewis	Shortridge
Barbour	Dickinson	Logan	Smoot
Barkley	Fess	McGill	Steiwer
Bingham	Fletcher	McKellar	Stephens
Black	Frazier	McNary	Thomas, Idaho
Blaine	George	Metcalf	Thomas, Okla.
Borah	Goldsborough	Moses	Townsend
Bratton	Gore	Neely	Trammell
Brookhart	Hale	Norbeck	Tydings
Bulkley	Hastings	Norris	Vandenberg
Bulow	Hatfield	Nye	Wagner
Byrnes	Hayden	Oddie	Walcott
Capper	Hebert	Patterson	Walsh, Mass.
Caraway	Howell	Pittman	Walsh, Mont.
Carey	Johnson	Reed	Watson
Coolidge	Jones	Robinson, Ark.	White
Copeland	Kean	Robinson, Ind.	

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present. The yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote, and being unable to obtain a transfer, I am compelled to withhold my vote. If permitted to vote, I should vote "yea."

Mr. BRATTON (when his name was called). I have a pair with the junior Senator from New Hampshire [Mr. KEYES], which I transfer to the junior Senator from Georgia [Mr. COHEN], and vote "nay."

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce that if the junior Senator from New Mexico [Mr. CUTTING] were present he would vote "nay."

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. In his absence I withhold my vote. If permitted to vote, I would vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. However, I understand that if present he would vote as I intend to vote, and therefore I feel at liberty to vote. I vote "nay."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. I am advised that if he were present he would vote as I am about to vote, so I feel at liberty to vote. I vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH], who is necessarily absent from the city. I am unable to secure a transfer, and therefore withhold my vote. If permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. FESS. I desire to announce the general pair of the Senator from Colorado [Mr. WATERMAN] with the Senator from Washington [Mr. DILL].

Mr. SHEPPARD. I wish to announce the necessary absence of the Senator from Missouri [Mr. HAWES] and the Senator from Louisiana [Mr. BROUSSARD] on the business of the Senate.

Mr. GLENN. I have a general pair with the junior Senator from Louisiana [Mr. LONG], who is absent from the city. I therefore withhold my vote.

Mr. WALSH of Montana. My colleague the junior Senator from Montana [Mr. WHEELER] is necessarily absent. He is paired. If present, he would vote "nay."

Mr. GEORGE. My colleague the junior Senator from Georgia [Mr. COHEN] is necessarily absent. If present and not paired, he would vote "nay."

The result was announced—yeas 19, nays 57, as follows:

YEAS—19

Austin	Fess	Kean	Townsend
Barbour	Goldsborough	Logan	Vandenberg
Capper	Gore	Metcalf	Walcott
Dale	Hale	Moses	White
Dickinson	Hebert	Reed	

NAYS—57

Ashurst	Coolidge	Lewis	Shipstead
Bailey	Copeland	McGill	Shortridge
Bankhead	Costigan	McKellar	Smoot
Barkley	Couzens	McNary	Steiwer
Black	Davis	Neely	Stephens
Blaine	Fletcher	Norbeck	Thomas, Idaho
Borah	Frazier	Norris	Thomas, Okla.
Bratton	George	Nye	Trammell
Brookhart	Hayden	Oddie	Tydings
Bulkley	Howell	Patterson	Wagner
Bulow	Johnson	Pittman	Walsh, Mass.
Byrnes	Jones	Robinson, Ark.	Walsh, Mont.
Caraway	Kendrick	Robinson, Ind.	
Carey	King	Schall	
Connally	La Follette	Sheppard	

NOT VOTING—20

Bingham	Glass	Hawes	Smith
Broussard	Glenn	Hull	Swanson
Cohen	Harrison	Keyes	Waterman
Cutting	Hastings	Long	Watson
Dill	Hatfield	Morrison	Wheeler

So the amendment proposed by Mr. MOSES to the amendment of the committee was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the bill (S. 4425) relating to the immigration and naturalization of certain natives of the Virgin Islands, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed without amendment the following bills of the Senate:

S. 2983. An act for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash.;

S. 3864. An act authorizing expenditures from Colorado River tribal funds for reimbursable loans;

S. 4367. An act to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail;

S. 4511. An act to amend sections 328 and 329 of the United States Criminal Code of 1910 and sections 548 and 549 of the United States Code of 1926;

S. 4614. An act to amend section 14 of an act entitled "An act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249); and

S. 4778. An act to extend the time for the construction of a bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1225. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, the silver service presented to the United States for the gunboat *Marietta;*

H. R. 9590. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture," approved January 14, 1929;

H. R. 11390. An act to detach Hardeman County from the Fort Worth division of the nothern judicial district of the State of Texas and attach the same to the Wichita Falls division of said district;

H. R. 12078. An act to extend the times for commencing and completing the construction of a bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.; and

H. R. 12329. An act to establish the boundary lines of the Chippewa Indian Territory in the State of Minnesota.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 8173. An act to provide for the renewal of 5-year level premium term Government insurance policies for an additional 5-year period without medical examination; and

H. R. 10825. An act to authorize the transfer of certain lands in Fayette County, Ky., to the Commonwealth of Kentucky.

CHARLESTOWN SAND & STONE CO.

Mr. GOLDSBOROUGH. Mr. President, I ask unanimous consent for the present consideration of Senate bill 564, being Calendar No. 889. There are unusual reasons which make necessary the prompt passage of the bill, and therefore I make the request.

Mr. KING. Let the bill be reported.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 564) for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.

Mr. ROBINSON of Arkansas. Mr. President, I inquire if this is an emergency measure? I must object to the consideration of bills of this character under present conditions. I do not think we can suspend the consideration of a bill of general importance, one that is itself imperiled or embar-

rassed by appropriation bills and conference reports that are behind it. I shall object.

Mr. GOLDSBOROUGH. Mr. President, will the Senator withhold his objection for a moment?

Mr. ROBINSON of Arkansas. No. I feel compelled to object. At a time when the Senate is not considering a bill of general importance, I would not object to the consideration of the bill.

The PRESIDENT pro tempore. Objection is made.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar as indicated below:

H. R. 1225. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Campus Martius Memorial Museum, of the city of Marietta, Ohio, the silver service presented to the United States for the gunboat *Marietta;* to the Committee on Naval Affairs.

H. R. 9590. An act to amend the act entitled "An act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture," approved January 14, 1929; to the Committee on Agriculture and Forestry.

H. R. 11390. An act to detach Hardeman County from the Fort Worth division of the northern judicial district of the State of Texas and attach the same to the Wichita Falls division of said district; to the Committee on the Judiciary.

H. R. 12078. An act to extend the times for commencing and completing the construction of a bridge across the east branch of the Niagara River at or near the city of Niagara Falls, N. Y.; to the calendar.

H. R. 12329. An act to establish the boundary lines of the Chippewa Indian Territory in the State of Minnesota; to the Committee on Indian Affairs.

AMELIA EARHART PUTNAM

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam, which were, on page 1, line 4, to strike out "flying cross" and insert "service medal," and to amend the title so as to read: "Joint resolution authorizing the President of the United States to present the distinguished-service medal to Amelia Earhart Putnam."

Mr. WALCOTT. Mr. President, the Senate unanimously approved this joint resolution to award the distinguished-flying cross to Amelia Earhart Putnam. It went over to the House; and after quite an exhaustive report made by the Assistant Secretary of War, Mr. Davison, it was concluded that it would be wiser to make this the distinguished-service medal rather than the distinguished-flying cross, because the War Department wanted to reserve the distinguished-flying cross entirely for feats of aviation within the Army and within the Navy. Therefore the House amended the joint resolution by changing the two words "flying cross" to "service medal," and also amended the title.

I therefore move that the House amendments be accepted and the joint resolution approved.

The motion was agreed to.

IMMIGRATION AND NATURALIZATION OF VIRGIN ISLANDS NATIVES

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 4425) relating to the immigration and naturalization of certain natives of the Virgin Islands, which was, on page 3, line 6, to strike out "Porto Rico" and insert "Puerto Rico."

Mr. REED. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2983. An act for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash.;

S. 3864. An act authorizing expenditures from Colorado River tribal funds for reimbursable loans;

S. 4367. An act to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail;

S. 4511. An act to amend sections 328 and 329 of the United States Criminal Code of 1910 and sections 548 and 549 of the United States Code of 1926;

S. 4614. An act to amend section 14 of an act entitled "An act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249); and

S. 4778. An act to extend the time for the construction of a bridge across the east branch of the Niagara River at or near the city of Tonawanda, N. Y.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program, and providing a method of financing such program.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

Mr. COPELAND. Mr. President, will the Senator from Wisconsin yield?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LA FOLLETTE. I yield.

Mr. COPELAND. May I ask the Senator to allow me to offer an amendment, which will not take over five minutes? I make the request because I must go back to a meeting of a conference committee.

Mr. LA FOLLETTE. Mr. President, I presume that technically under the rule I would have to permit the Senator to offer his amendment, but I have been waiting for two days with the expectation that amendments to the text would be completed. However, if the Senator wishes to amend the text, his amendment is probably in order, because I propose to strike out down to section 5, which authorizes the issuance of bonds. Therefore, if the amendment of the Senator from New York proposes to amend the text which I desire to strike out, his amendment is probably in order.

The PRESIDENT pro tempore. The Chair understands the Senator from Wisconsin temporarily to lay aside his amendment in order that the Senator from New York may present an amendment.

Mr. LA FOLLETTE. Mr. President, my understanding of the parliamentary situation is that technically any Senator who desires to offer an amendment to the portion of the text which I propose to strike out is in order without any consent. However, I very much regret that I have not been able to secure the attention of the Senate earlier in the day, because the amendment I have presented is of very great importance from my point of view, and I shall have to discuss it at some length.

The PRESIDENT pro tempore. The Chair will state to the Senator from Wisconsin that if he wishes to withhold the amendment temporarily, in order to permit the Senator from New York to present an amendment, the Chair will undertake to protect the Senator from Wisconsin in his rights.

Mr. LA FOLLETTE. I appreciate the Chair's kindness in the matter. There have been amendments offered here all day long for the last two or three days. I had hoped to get my amendment up at some earlier hour in one of the sessions of the Senate, and, unless the Senator from New York insists on his rights, I should prefer to proceed.

Mr. COPELAND. Mr. President, I quite understand the position of the Senator and I will try to find an occasion later to present my amendment.

The PRESIDENT pro tempore. The Senator from Wisconsin offers an amendment, which will be stated.

Mr. TRAMMELL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TRAMMELL. I desire to offer an amendment to the amendment proposed by the Senate committee. As I understand the rules, it is in order to perfect the text either of the House bill or the portion recommended by the committee to be inserted.

Mr. LA FOLLETTE. Mr. President, may I point out to the Senator from Florida that the amendment which I propose leaves all after section 5, beginning on page 109, and going on to the end of the bill. Therefore, unless the Senator's amendment is an amendment to the text which I propose to strike out, my belief is that his amendment is not in order at this time.

Mr. TRAMMELL. Mr. President, my amendment is in the nature of a new paragraph or section. The Senator from Wisconsin having been recognized, I realize he has a right to propose his amendment, and I will await the disposition of his amendment before proposing the one which I have to offer.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Wisconsin will be stated.

The CHIEF CLERK. On page 100 it is proposed to strike out lines 14 through 25; on page 101, strike out lines 1 through 17; on page 102, strike out all after line 7; strike out all of pages 103, 104, 105, 106, 107, 108; on page 109, strike out lines 1 through 5; and in lieu thereof insert——

Mr. NORRIS. Mr. President, there is still a question as to what is sought to be stricken out. I want to inquire, does the amendment propose to strike out on page 101 after line 17?

Mr. LA FOLLETTE. No, Mr. President.

The PRESIDENT pro tempore. It proposes to strike out from line 14, on page 100, down to and including line 17, on page 101.

Mr. NORRIS. It does not strike out subsection (b)?

Mr. LA FOLLETTE. No; I will say to the Senator from Nebraska that will remain in the bill if my amendment shall prevail.

The Chief Clerk resumed and concluded the reading of the amendment proposed by Mr. LA FOLLETTE, which is as follows:

On page 100, strike out lines 14 through 25; on page 101, strike out lines 1 through 17; on page 102, strike out all after line 7; strike out all of pages 103, 104, 105, 106, 107, 108; on page 109, strike out lines 1 through 5; and in lieu thereof insert the following:

"That it is hereby declared to be the policy of the Congress to provide for the more effective conduct and administration of Federal public-works activities; that, during the period of emergency hereby recognized to exist, public-works expenditures should be largely expanded in order to stimulate production and business activity and to alleviate unemployment; and that in pursuance of this policy it is the desire of Congress that the expenditure of the emergency funds made available by this act shall be governed, in the discretion of the administrator of public works, provided for in section 2, by the following considerations:

"(1) Facility with which projects may be gotten under way at the earliest possible date.

"(2) Amount of labor that will be employed, directly or indirectly.

"(3) Number and diversity of the industries which will be affected, directly or indirectly, by said projects.

"(4) Value of the projects to the economic and social welfare of the country.

"(5) Economical administration of the work.

"ADMINISTRATION OF PUBLIC WORKS

"SEC. 2. (a) There is hereby established at the seat of government an administration of public works, under the direction of the administrator of public works. The administrator of public works shall be appointed by the President, by and with the advice and consent of the Senate. He shall receive a salary at the rate of $15,000 per annum, and his term and tenure of office shall be like that of the heads of the executive departments.

"(b) The administrator—

"(1) Shall maintain the principal office of the Administration of Public Works in the District of Columbia, and such other offices in the United States as in his judgment are necessary.

"(2) Shall cause a seal of office to be made for the Administration of Public Works, of such device as the President shall approve, and judicial notice shall be taken thereof.

"(3) Shall make such rules and regulations as may be necessary to carry out the provisions of this act.

"(4) Shall make annually, at the close of each fiscal year, a report in writing to Congress, giving an account of all moneys received and disbursed by him and the Administration of Public Works, describing the work done by the Administration of Public Works, and making such recommendations as he shall deem necessary. He shall also make from time to time such special investigations and reports as may be required of him by the President or either House of Congress, or as he himself may deem necessary and urgent.

"(5) May appoint and fix the compensation of such assistant administrators and technical and scientific experts, and, subject to the provisions of the civil service laws, may appoint, and, in accordance with the classification act of 1923, as amended, fix the compensation of such other officers and employees as are necessary to execute the functions vested by this act in the administrator or the Administration of Public Works.

"(6) May make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as are necessary to execute the functions vested in the administrator or in the Administration of Public Works. Such expenditures shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the administrator.

"EMERGENCY CONSTRUCTION PROGRAM

"SEC. 3. To meet the emergency hereby recognized to exist, there is hereby authorized to be appropriated the sum of $5,500,000,000, to be immediately available for expenditure by the administrator of public works in the manner hereinafter provided.

"SEC. 4. In carrying out the emergency construction program, the administrator—

"(1) May appoint advisory boards and committees to advise and confer with him. No salary shall be paid to board or committee members, but when attending meetings or engaged in other activities at the request of the administrator they shall be allowed necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government.

"(2) May hold hearings and require, by subpœna, the attendance and testimony of witnesses and the production of books, papers, and documents and may administer oaths. In case of disobedience to any subpœna the administrator may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents.

"(3) Shall submit monthly to the President and to the Senate and House of Representatives (or the Secretary of the Senate or the Clerk of the House of Representatives, if those bodies are not in session) a full and detailed report of the emergency activities and expenditures of the Administration of Public Works, together with a statement showing the condition of the funds administered by him. Such reports shall, when submitted, be printed as public documents.

"SEC. 5. The administrator is authorized to deduct from any appropriation made pursuant to the authorization contained in this act so much thereof as he deems necessary for the expenses of the Administration of Public Works in carrying out the emergency provisions of this act. The remainder of any such appropriations shall be available for expenditure for the purpose hereinafter set forth, upon allocation by the administrator in accordance with and in furtherance of the policy set forth in section 1 of this act, so far as the administrator deems feasible.

"SEC. 6. In addition to the regular appropriations for the public works hereinafter specified the administrator may expend for such public works a total of not to exceed $650,000,000 of the amount authorized in section 3 as follows:

"(1) For the preservation and maintenance of existing river and harbor works and for the prosecution of such projects heretofore and hereafter authorized as may be most desirable in the interest of commerce and navigation, and for the prosecution of flood-control projects heretofore or hereafter authorized, not to exceed $200,000,000;

"(2) For carrying into effect the provisions of the public buildings act, approved May 25, 1926, as now or hereafter amended and supplemented, in respect of public buildings within and without the District of Columbia, not to exceed $275,000,000;

"(3) For the construction and reconstruction of forest roads and trails, not to exceed $50,000,000;

"(4) For the prosecution of irrigation, drainage, and reclamation projects heretofore or hereafter approved in accordance with law, not to exceed $25,000,000;

"(5) For repair and remodeling of existing buildings and structures, and for miscellaneous Federal public works, in the discretion of the President, not to exceed $100,000,000.

"SEC. 7. In addition to the regular appropriations for Federal-aid highways, the administrator may allocate an additional $1,000,000,000 of the amount authorized in section 3 for the construction and reconstruction of highways in the manner hereinafter provided, which shall be available for expenditure upon highway projects approved by the administrator, as follows:

"(a) Not to exceed $500,000,000 of such amount shall from time to time be apportioned by the administrator among the several States in the manner provided by section 21 of the Federal highway act, as amended and supplemented, and shall be available for expenditure in the same manner, so far as practicable, as other funds appropriated for carrying out the provisions of the Federal highway act, with the following exceptions:

"(1) The limitation of payments permitted by said act shall be increased to $50,000 per mile, exclusive of the cost of bridges of more than 20 feet clear span;

"(2) Any amounts apportioned to any State not claimed by such State shall be available for payment to States who are able to proceed with construction over and above their apportionment;

"(3) Such funds may be used as a temporary advance to meet the requirements of such act as to State funds, to be reimbursed to the Federal Government over a period of five years, commencing with the fiscal year beginning next after the termination of the emergency, by making deductions from regular apportionments made from future authorizations for carrying out the provisions of such act.

"(b) Not to exceed $150,000,000 of such amount shall be available for meeting 50 per cent of the cost to the several States and their civil subdivisions of highway bridge construction, without regard to the provisions of the Federal highway act limiting the expenditures of Federal funds to bridges outside certain municipalities.

"(c) Not to exceed $250,000,000 of such amount shall be available for meeting 50 per cent of the cost to the several States and their civil subdivisions of elimination of railroad grade crossings.

"(d) Not to exceed $100,000,000 of such amount shall be available for meeting 50 per cent of the cost to the several States and their civil subdivisions of elimination of highway grade crossings and construction of by-pass roads.

"SEC. 8. (a) The administrator may allocate not to exceed $3,750,000,000 of the amount authorized in section 3 for the purpose of making loans to States and their civil subdivisions for (1) construction of Federal-aid highways; (2) construction of other State, county, and municipal highways, streets, and pavements; (3) construction of bridges; (4) construction of water supply and sewerage works; (5) construction of flying fields, exclusive of purchase of lands; (6) establishing of parks and playgrounds, exclusive of purchase of lands; (7) construction of public buildings; (8) elimination of grade crossings; (9) reforestation and fire prevention, exclusive of purchase of lands; and (10) other construction of a public or semipublic character.

"(b) Loans made under the provisions of this section shall be for periods of not more than 10 years, at a rate of interest three-fourths of 1 per cent above the average rate at the time of making the loan for the bonds issued theretofore under the provisions of this act, but in no event to exceed 5 per cent. No loans shall be made under the provisions of this section except upon the approval of the finance board created by section 10.

"SEC. 9. The administrator may allocate not to exceed $100,000,000 of the amount authorized in section 3 for the purpose of making loans to limited dividend corporations created solely for the erection of housing, on projects for housing families of low-income levels, such projects to have the approval of the administrator with respect to (1) the financial structure and the limitation of the dividends of the corporation, and/or (2) the limitation of the rentals to be charged, and/or (3) the location and plan of the project with respect to city plans, slum clearance, and the rehabilitation of blighted areas in cities, and/or (4) the replacement of housing now unfit for healthful habitation, and/or (5) the guaranties under State or municipal laws and administration of adequate control, and/or (6) the senior or other financing of the project, and (7) such other considerations and safeguards as the administrator shall deem necessary or expedient. Such loans shall be made upon the same terms and conditions as loans made under section 8, except that such loans may be for periods of not more than 30 years, and may be amortized serially within such limitation of time.

"SEC. 10. There is hereby created an Emergency Finance Board, to be composed of three members, appointed by the President, by and with the advice and consent of the Senate. One of the members of the board shall be experienced in State and municipal finance, one shall be experienced in housing construction, and one shall be experienced in banking and finance generally. All applications for loans under sections 8 and 9 shall, subsequent to their approval by the administrator, be referred to the board for its approval. In acting upon such applications for loans the board shall take into consideration (1) the financial condition of the borrower and (2) the ability of the borrower to obtain funds at reasonable rates from other sources. No salary shall be paid to board members, but they shall be paid from funds available for the administration of this act a per diem compensation not to exceed $20 for time devoted to the business of the board, and necessary traveling and subsistence expenses or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government. The members of the board shall serve during the continuation of the emergency.

"SEC. 11. Appropriations authorized by section 3 shall remain available until expended or until the index of industrial production, as now computed, of the Federal Reserve Board reaches index No. 95. Thereafter the administrator shall make no new commitments, and shall have the emergency powers conferred upon him by this act only so far as may be necessary to complete contracts already under way and liquidate the emergency affairs of the Administration of Public Works."

One page 109, line 13, strike out "$500,000,000," and in lieu thereof insert "$5,500,000,000."

Mr. LA FOLLETTE. Mr. President, there are two divergent schools of thought in a depression. One group adheres to the theory of deflation—it favors letting the depression run its course. The other school of thought subscribes to the theory that action by the Government, and by those in positions of economic power, should be undertaken to check the process of deflation and to endeavor to stimulate recovery.

Ever since this depression began, the Government—and when I use that term I refer not only to the President and the executive branch, but as well to the legislative branch—has followed the policy of deflation.

During the depression I have endeavored, as a Member of this body, to force upon the attention of the Senate the cataclysmic character of the economic phenomenon we have been witnessing. I have urged upon the Senate its responsibility to inaugurate a policy to meet the devastating effects of this deflation.

My efforts have been unavailing. Naturally, on this side of the aisle the majority of the Senators have followed the policy, or the lack of policy, of the Chief Executive. Strangely enough, those on the other side of the aisle—who, under our 2-party system of government, have a responsibility of functioning as the opposition—have during this, the most serious economic crisis in all our history, abandoned that function, and have been following the course marked out by the President.

Convinced as I am that we have yet to see the most serious phases of this deflation, I think the time has come to review the attitude taken during this crisis by the Chief Executive and subscribed to by Republicans and Democrats in the Congress. I select for review the record which he has made, not from any desire to raise partisan or political questions in this debate, but because he has been the leader of a virtual coalition in the Congress of both Republicans and Democrats. As we stand to-day facing the most serious phase of this terrible depression I venture to make that review, because upon it I wish to predicate an appeal to Members upon both sides of this Chamber to rise above party considerations and to embrace a program which I believe has within it hope of checking the downward spiral of this deflation, and of alleviating the suffering and the human misery which exist in this land of plenty to-day, to a degree beyond the ability of words to describe.

When the President of the United States was inaugurated on the 4th day of March, 1929, he came into office on the eve of a catastrophic economic breakdown. He entered upon that office with a reputation carefully cultivated during his eight years as Secretary of Commerce and strengthened in the public mind by the speeches which he made during the campaign preceding his election, which, had it been justified, promised intelligent and courageous handling of precisely the type of problems which have confronted him during this most serious situation.

It was the popular belief in this country that Herbert Hoover was an able business man with great executive ability, that he had an intimate acquaintance with and a thorough grasp of economic problems, both domestic and world-wide, and that, in addition, he was guided by a warm and sincere humanitarianism, as exemplified in his administration of relief during the war.

He made a significant declaration in his inaugural address that—

> The larger purpose of our economic thought should be to establish more firmly stability and security of business and employment.

It was not, however, translated into action during the seven months of apparent complacency in the face of visible economic signs that we were already entering upon the first phases of this economic disaster. Apparently the President believed that the fictitious prosperity which found its expression less in an improvement of the real economic position of the masses of American citizens than in booming stock prices and in extravagant profits, skimmed off by the few at the top of our economic ladder, could go on forever. He seemed entirely content with the diversion of large portions of the national income away from investment in measures to promote the general welfare and into investments in artificially inflated stock values, into economically unwarranted buildings and industries, and into foreign securities. He made no effort to check the growing concentration of

economic power which was increasingly subordinating the national economic welfare to the growth of the profits and the possessions of a class of financiers and speculators. He showed no interest in proposals to increase the purchasing power of the people generally in proportion to the increase in the Nation's producing power, or in proposals to safeguard the masses of the people against the dangers of an economic storm.

In so far as he intervened at all, it was through his insistence that there must be no governmental intervention, the laissez faire policy which he eulogized when he insisted in his inaugural address that "progress" would be attained by "cooperation." The lip service which he gave to the "regulation of private enterprise" and to "the rigid enforcement" of the laws applying to business, quickly showed itself vacillating, and yielded readily to the demands of interested groups provided they were fortified with sufficient economic power.

The President's immediate efforts were directed toward what he described as the "dominant issue" of law enforcement, toward the enactment of his own plan of agricultural relief, which has proved to be such a tragic disappointment to the farmers of the country, and as a means of benefiting certain industries which he admitted were suffering from "economic changes," toward the "readjustment of some of the tariff schedules."

Supplementing the warnings of those economists and observers who had been denounced as calamity howlers, the Bureau of Agricultural Economics had in February predicted a decline in business in the second half of the year. The need of giving early and serious consideration to the problem of economic instability had been given legislative recognition on the day preceding President Hoover's inauguration in a report submitted by the senior Senator from Michigan [Mr. COUZENS] in response to a resolution which I had introduced on May 3, 1928. In June the President, however, rejected a suggestion that he call a national conference to consider ways of preventing the growth of unemployment, made by the president of the Iowa State Federation of Labor in an open communication to the Chief Executive, with the vague assurance that it was "hoped that we will be able to take it up when some of the momentarily pressing problems of the administration are out of the way."

Three months later these "momentarily pressing problems" faded into insignificance when in October prices of stocks on the New York Stock Exchange collapsed, financial demoralization threatened, and the gradual decline in industrial activity, which had already been under way for some time, suddenly became accelerated.

The President was oblivious to the underlying facts of the situation. On October 25, 1929, he announced to the press:

> The fundamental business of the country—that is, production and distribution of commodities—is on a sound and prosperous basis.

After an economic review, which demonstrated gross misinterpretation of the factors which he cited, he insisted that everything indicated fundamentally "a healthy condition." The next few weeks, however, demonstrated that he had been wrong when he referred to certain adverse signs as "of secondary character."

He began, therefore, in November to take counsel with prominent business leaders. The course of action upon which he determined thereafter made use of three of the policies with which for three years he continued futilely to attempt to stem the tide of depression: First, he adopted the tactics of minimizing the importance of the depression and the consequent distress which it created among the masses of the people in order to inculcate a false optimism in the minds of the public; second, he relied upon "psychological" measures to pep up the business and financial community and the more critical portion of the public; third, he employed the use of a multitude of conferences and committees to promote his "psychological" measures and to obtain "cooperation" as an alternative to positive governmental action.

In the succeeding months and years this course of action was supplemented by his resolute opposition to virtually every form of governmental action, except for schemes—including "psychological" drives as well as excursions into State capitalism—to create more and more credit and to somehow pump it into industry, based upon the illusion that recovery could be obtained through an abundance of credit without regard to the available amount of purchasing power.

Finally, Mr. President, during this period his activities have been characterized by frantic and often panicky efforts to enforce "unity of action," along the lines upon which he insisted, to censor the press, and thereby to found public opinion upon misinformation, and to shift the burden of responsibility for this major economic disaster upon some one else, sometimes upon "bear raiders" on the New York Stock Exchange, upon "noncooperating" portions of the business community, and more often and with greater intensity during recent months he has directed the scorn of the country upon the Congress, endeavoring to create in the public mind the belief that is sufficient power were given to him he would through means which he never quite defined restore prosperity.

When his domestic policies failed to produce results he soon came to attribute his failure, in so far as it could not be attributed to the stock exchange, to the business community or to Congress, to economic developments outside of the United States.

Throughout all of the shifts and turns in policy which followed the first failure of his efforts to minimize the situation and to offset it by "psychological" measures, there has been an obvious unwillingness to attack those in possession of wealth and of economic power and an acquiescence in attempts to throw the entire burden of deflation or liquidation upon the masses of the people, including the middle class.

The Chief Executive's own "psychology" must doubtless be held partly responsible for the ludicrously tragic story of his administration. He obviously lacked knowledge and understanding of economic forces, but he refused to give serious attention to proposals which he disliked, to statements of fact which contradicted his own views, and to counsels which ran contrary to his prejudices. His insistence for months upon speaking of a "recession" and not a "depression" was one of the least of the instances of this. When his policies were questioned, he regarded his critics as personal enemies.

He listened seriously only to sycophantic advisers who tried to read his mind. As a result he failed to break through his doctrinaire economic philosophy into the world of reality. He found it difficult to go boldly to the country or to consult frankly with men who came to him as equals. His conferences were always held secretly, and he attempted to limit public knowledge to whatever interpretation he chose to give to the press. His slowness in grasping or in admitting realities made him slow in altering policies until, pushed by the logic of events, he invariably launched his half measures 6 or 12 months too late. For comprehensive measures he had no taste, both because of the courage which they demanded and because of the sacrifices—whether temporary or permanent—which they would have imposed upon the financial and promoters' class with which he had associated throughout his life.

In announcing on November 15, 1929, the first of his many "programs of action," the President deprecated the prevailing pessimism which had followed the undue optimism of the stock-market boom, but said: "My own experience has been, however, that words are not of any great importance in times of economic disturbance. It is action that counts." He accordingly put forward a program involving:

1. Credit stability and assurance of an ample supply of capital, through the Federal reserve system.

2. Demonstration of the confidence of the administration by undertaking tax reduction.

3. A forward movement through:

(a) Revival of construction, which he assumed would follow now that funds would flow into construction and no longer into the stock market.

(b) The stimulation of exports and of other legitimate business expansion.

(c) Use of the agricultural marketing act, in furtherance of (b).

The first part of this program failed—though the President has seemingly never discovered this—because credit itself is dependent upon business activity which none of the President's programs succeeded in stimulating, and because the owners of capital proved unwilling to invest as long as the prospect for profits was slight.

Mr. President, one of the foremost economists in this country, a conservative for whom I have great respect, has described credit as "suspicion asleep." Once awakened, credit is as futile as any device that could be imagined in a critical period of this kind.

Construction failed to respond because of factors more basic than a lack of funds, and the stimulation of exports was defeated, partly by the widespread depression and partly by the retaliation, itself intensifying the world depression, provoked by the Hawley-Smoot tariff revision which the President refused to assist in limiting, and which ultimately he approved, despite the protests of 1,000 of the leading economists of the country and some of the Nation's foremost leaders.

The administration's $160,000,000 tax reduction, benefiting principally the large income taxpayers and the larger corporations, was enacted in December, 1929, following the stock-market crash. Progressive Senators on both sides of the aisle who objected that the Treasury might be in need of funds for relief purposes, in view of the fact that we were entering upon one of the worst depressions in our history, were almost overwhelmingly defeated by the first of a long succession of conservative Republican-Democratic coalitions, whose leaders insisted that the depression was "psychological" in character and would be largely mitigated by the stimulus of a 1-year reduction in taxes for the benefit of large income taxpayers and the large profitable corporations.

The President continued to minimize the seriousness of the depression and reiterated his faith in "psychological" devices. The President on November 17, 1929, launched his third line of attack on the situation, saying that he sought "to dispel foolish pessimism and to assure the orderly march of business and employment over the winter," when he announced that a series of conferences with sundry groups of business, financial, and labor leaders had been arranged. The conferences were accompanied from day to day by statements that confidence was being reestablished, that business would be carried on as usual, that wages would be maintained on the one hand and strikes avoided on the other, and intimating that "any possible dislocation of employment" would be guarded against.

Mr. President, in June, 1929, industrial production was at the index of 127, freight-car loadings at 108, value of building contracts at 126, factory employment at 102.7, and factory pay rolls at 109.7. In December, when with the help of the party of the opposition, the Democrats, the President passed the first of his "psychological" remedies for this depression, the $160,000,000 tax refund measure to which I have just alluded, industrial production had fallen to 100, a drop of 21 per cent from the peak of 1929, freight-car loadings had fallen to 102, a loss of 6 per cent; value of building contracts had fallen 19 per cent to 102, factory employment was at 96.9, a loss of 6 per cent, and factory pay rolls had fallen to 99.1, or a loss of 10 per cent. Apparently the Chief Executive and his supporters, both Democrats and Republicans, in this Chamber were unaware of these economic data showing the cataclysmic character of the depression; and as I proceed with my review of the record made by this bipartisan control of Government since 1929, I shall advert to this continued and marked decline of those economic indices to indicate how blind were these men to the facts which were available for all to read.

The President's annual message to Congress on December 3, 1929, stated that the "systematic, voluntary measures of cooperation" which he had instituted, providing for business as usual, the maintenance of wages, and the expansion of private, Federal, State, and local construction, had brought about a—

> Remarkable and satisfactory response. * * * I am convinced that through these measures we have reestablished confidence. Wages should remain stable. A very large degree of industrial unemployment and suffering which would otherwise have occurred has been prevented.

Had not the hesitation of business men, caused by "unwarranted pessimism and fear," been offset—

> This hesitation unchecked could in itself intensify into a depression with widespread unemployment and suffering.

Having thus already prevented the depression, the President of the United States naturally asked little from Congress in the way of remedial legislation. He requested specifically nothing dealing with the situation except his "psychological" tax reduction and a slight increase in public works, nor were there put forward by those in the party of opposition any legislative proposals which either recognized the seriousness of the depression upon which we were entering or proposed any governmental action to meet the situation.

In accordance with recommendations made at the November conferences which the President had called, the Chamber of Commerce of the United States on December 5, 1929, held a "National Business Survey Conference," at which President Hoover admitted the existence of "some unemployment" but asserted that the most serious danger was "undue pessimism, fear, uncertainty, and hesitation in business," for which the cure was "action"—that is, more abundant capital, assurances of wage maintenance, and voluntary efforts on the part of industry and State and local governments to increase construction.

The national business survey conference was intended according to its sponsors "to put into practical effect the ideas initiated by President Hoover." Chairman Julius H. Barnes described it as an important experiment in organized business activity. Business men representing the major trades and industries presented detailed reports of "conditions and prospective activities." The impression went forth that business activity would be sustained and perhaps even expanded. The official report issued at the close of the conference said:

> Further information will probably be solicited from time to time as may be required, with the object of building up an adequate picture of the business structure, of determining the weakness that may exist in the national economy, and of disclosing possible steps to eradicate them, to the end that the entire national business fabric may be maintained in a normal state of adjustment and equilibrium essential to the orderly advancement of the national welfare.

The only tangible aftermath of the President's first "committee and conference" attack on the depression was a vaguely defined organization which, under the direction of Chairman Barnes and in the name of the National Business Survey Conference, for a while issued frequent and highly optimistic messages of cheer, then gradually dwindled into silence, and expired in May, 1931. The failure to go through with the business plans and expenditures forecast in December was demonstrated by the business indices of succeeding months. It was evident, as President Farrell, of the United States Steel Corporation, remarked at the economic council hearings last October, that "the wish was father to the thought."

Examined in retrospect, the only certain accomplishments of the first attack upon the depression were the enactment of the tax reduction, which undoubtedly left in the pockets of the wealthy substantial sums otherwise available for governmental action, and a very moderate increase—amounting to $55,000,000 a year for roads, $15,000,000 a year for public buildings, and a smaller increase in rivers and harbors construction—applying in part to the fiscal year 1930 and in full to the fiscal year 1931, in Federal public works construction.

The course of Federal public works, excluding vessel and aircraft construction, through June 30, 1930, was:

1928	$201,180,000
1929	261,695,000
1930	297,303,000

The legislation enacted during the winter of 1929–30 became fully effective in the fiscal year 1931, when it was further supplemented by the emergency public works bill enacted at the short session of the Seventy-first Congress. Even with all of this, however, Federal construction in the fiscal year 1931 totaled only $460,641,000. This was an increase of some $160,000,000, entirely insufficient to offset the decline in State and local construction and woefully inadequate compared with the decline in construction generally.

The efforts to stimulate State and local construction, including a public appeal to the State governors on November 23, 1929, was frustrated by the growing financial predicaments of these governments, with the result that combined Federal, State, and local public-works expenditures first failed to grow materially and then declined, as follows:

1927 total public construction	$3,706,000,000
1928 total public construction	3,631,000,000
1929 total public construction	3,555,000,000
1930 total public construction	3,632,000,000
1931 (estimated)	3,000,000,000

Judging by the trend in the first few months of 1932, it is probable that public construction will not reach $1,500,000,000 this year.

Meanwhile, total public and private construction fell year by year, from $10,091,000,000 in 1928, to $9,018,000,000 in 1929, to $6,946,000,000 in 1930, to $4,800,000,000 in 1931, with the present likelihood that the 1932 total will not be over $2,500,000,000 or $2,750,000,000, a decline of anywhere from $7,000,000,000 to $8,000,000,000 since the peak of 1928.

Beyond the tax reduction put through by the bipartisan coalition under the leadership of the President in the session 1929–30, there is a debatable question whether the assurances given at the White House conferences in November did or did not result in maintaining wage levels beyond the time at which they otherwise would have been cut. Wage reductions began soon after the outset of the depression, but undeniably for months few of the larger industrial concerns made serious reductions, for which I give their management and their control due credit.

Whatever the credit due to the President may be—and I do not wish to deny him any credit which is justly his—the wage-maintenance policy, based upon voluntary assurances and upon official declaration, unsupported by any show or threat of action, was effective, taking the most optimistic view, for but 18 months, and collapsed, under increasing economic pressure, in the early autumn of 1931.

Evidences of tangible action to counteract the depression are, except for the issuance of statements and of appeals for "cooperation," entirely lacking in the administration's record and in the Record of Congress for the next six or eight months. Chairman Barnes, Secretary Lamont, and other officials, carried on an almost continual chant of hope and of pledges that the depression was about to end. On March 5, 1930, the President rejected a new proposal for a national unemployment conference, with the declaration that "everything possible is being done to remedy conditions." At this time, Mr. President, industrial production was at 104, a gain of 4 points since December, 1929, but a loss of 18 per cent since June, 1929; freight-car loadings had fallen to 96, a decline of 6 since December, 1929, and a total decline since the peak of 1929 of 11 per cent; the value of building contracts was at 102, a decline of 19 per cent since the 1929 peak; factory employment was at 92.9, and factory pay rolls had reached 98.2. The then Secretary of Labor, now the junior Senator from Pennsylvania [Mr. DAVIS], in a statement indorsed by the White House, said at the same time that unemployment did not exceed 3,000,000 persons, many of whom would be "normally" unemployed.

There were, however, Members of Congress who regarded the situation less lightly. Criticism grew and early in March, the Senator from New York [Mr. WAGNER], the Senator from Michigan [Mr. COUZENS], the Senator from Montana [Mr. WHEELER], myself, and others, joined in attacking the inadequacies and the misrepresentations of the administration's position.

The President made reply on March 7, 1930, in a statement to the press in which he said:

> All the evidences indicate that the worst effects of the crisis upon employment will have been passed within the next 60 days, with the amelioration of seasonal unemployment, the gaining strength of other forces, and continued cooperation of the many agencies actively cooperating with the Government to restore business and to relieve distress.

Almost exactly 60 days later, speaking before the annual meeting of the United States Chamber of Commerce, the President claimed that, through the cooperation of business men, the press, financiers, public officials, and others, the program which he had set forth late in November had "succeeded to a remarkable degree." The dangers of loss of confidence, of monetary panic, and credit stringency, he said—

> are behind us. There has been no significant bank or industrial failure.

Now mark this—

> That danger, too, is safely behind us.

Apparently blissfully ignorant that the census of unemployment taken on April 1 was to show an unemployment of at least 3,400,000 persons, the President, in accordance with the policy of distorting factual information upon which his administration was already well launched in its efforts to minimize the depression, said that a "telegraphic census" of governors and mayors had brought "with one exception the unanimous response of continuously decreasing unemployment each month."

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield.

Mr. KING. Mr. President, we are listening to one of the most important and able speeches that it has been my pleasure to hear in the Senate. I think, in view of the important facts being presented we should have a larger attendance——

Mr. LA FOLLETTE. Mr. President, I thank the Senator, but I do not yield for that purpose.

The PRESIDING OFFICER. The Senator from Wisconsin declines to yield.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield.

Mr. LEWIS. Since the accommodating Senator from Wisconsin has yielded to an interruption, may I take it upon myself to ask from what source does the Senator gather the particular figures which have been interesting me very much, showing the gradual increase of unemployment and the gradual gradations of public works?

Mr. LA FOLLETTE. They have been taken in part from the official reports of the Federal Reserve Board and partly from indices published by the Department of Commerce, printed by the executive branch of the Government over which the President presides.

Mr. LEWIS. I appreciate the courtesy of the Senator.

Mr. LA FOLLETTE. They are published, I may say to the Senator, in bulletins which are issued and distributed, and I assume the President had access to them.

Looking to the future, the President intimated vaguely that "when the situation clears a little" he might undertake the organization of a representative body to study the history of the predepression and depression periods, "with a view to broad determination of what can be done to achieve greater stability for the future, both in prevention and in remedy." At the same time he insisted that whatever action might be determined upon must be in the "field of cooperative action outside of government" and that "progress must come from individual initiative, and in time of stress

it must be mobilized through cooperative action." Later months were to bring to the President the conviction that these principles should be violated sufficiently to permit action by the Government to the extent of providing additional credit to banks, railroads, and industrial corporations. His interest in the broader problem of stability, however, remained undefined, postponed to some remote future day.

The President's seeming confidence that the problem was taking care of itself and that positive governmental intervention was unneeded remained unshaken on June 4, 1930, when he rebuked, according to Amos Pinchot, a delegation which had come to urge upon the President a tremendous public-works program. That was two years ago. Unemployment was being exaggerated; the tide had turned; we would drift peacefully, if slowly, back to good times. I quote from Mr. Pinchot:

> With calm confidence he spoke of the results that were being gained through the conference he had called of great business leaders and of their fine response to his appeal not to curtail the volume of their activities. He showed us, in authoritative style, that every agency of both the Federal and State Governments was working at top capacity to relieve the situation. "Gentlemen," he said, "you have come six weeks too late."

At that time, Mr. President, industrial production had fallen to 100, a loss of 21 per cent since the preceding June; freight-car loadings had dropped to 93, a loss of 14 per cent since the preceding June; the value of building contracts had fallen to 99, a loss of 21 per cent since the preceding June; factory employment had dropped to 89.7, a loss of 12 per cent in a year; factory pay rolls had gone to 90.7, a decline of 17 per cent in that year. Yet the President of the United States assured the distinguished delegation that waited upon him to urge the inauguration of a gigantic public-works program to check the progress of the depression that they had come six weeks too late.

Mr. President, the long session of the Seventy-first Congress ended on July 3, 1930, barren of legislation affecting the fundamental economic situation, except for the dislocation of international trade brought about directly and indirectly by the Hawley-Smoot Tariff Act. Even mild public-works planning and employment exchange bills of the Senator from New York [Mr. WAGNER] in harmony with recommendations made many times by the President himself during the years preceding found no administration support, and although they were passed by the Senate through the persistent efforts of the Senator from New York, they received no attention in the House of Representatives, which was controlled and dominated at that time by the administration. All efforts to promote a more adequate expansion of public works were blocked by presidential appeals for economy, buttressed by distorted calculations of prospective appropriations.

The quiescent policy of the administration was broken somewhat by the increasing severity of the drought which prevailed during the summer of 1930. On August 5 the President recognized the possibility of "real suffering" and said:

> No stone will be left unturned by the Federal Government in giving assistance to local authorities.

Official surveys and conferences multiplied rapidly; railroads were induced to shoulder part of the cost of relief by making emergency reductions in rates on the movement of livestock and of feeds. The Red Cross was stimulated into action; the Department of Agriculture revised its radio program by including special talks on drought conditions, and the President announced that, due to "the thought that I can probably be of some service," he had canceled his proposed western trip.

A conference with the governors of the drought States brought on August 14, 1930, an elaboration of the President's drought-relief program. Relief was to come from State and local resources, with a presidential committee to "coordinate" the State and county committees, supplemented by $5,000,000 from the Red Cross, speeding up of Federal-aid highway allotments, and a continuance of the railroads' rate reduction. Appeals for emergency credits were turned aside with vague assurances that, in so far as sound security could be given, credit would be supplied by existing Federal agricultural credit institutions.

As the autumn of 1930 came on, it became increasingly evident that existing policies were not meeting the necessities of the situation. The drought areas protested that the President's program had not and could not prevent intense suffering and economic maladjustment. It was generally recognized, except in administration circles, that the economic situation was in its broader aspects growing progressively worse. Although completely accurate data were unobtainable, it was obvious that unemployment was increasing and that distress was being relieved inadequately. Stock and bond prices collapsed anew in the fall of 1930, leading to administration charges that persons hostile to the administration were manipulating the market on the eve of the elections which in November were to result in a severe defeat for the Republican Party.

Presidential recognition of the existence of a serious unemployment problem finally came on October 17, 1930, when the President still insisted that his program of 10 months before had "contributed greatly to reduce unemployment," but admitted that he now contemplated a further organization along three lines:

> First, cooperation with the governors and employment organizations of the States and local communities; second, development of methods with the national industries; and, third, direct Federal employment in public works, etc. * * * As a nation we must prevent hunger and cold to those of our people who are in honest difficulties.

A renewed suggestion that a conference of industrial and labor leaders, similar to the Harding conference in 1921, be called was rejected a few days later with the explanation that the President had "covered that ground" in his November, 1929, conferences.

Col. Arthur Woods was appointed to direct an organization to act as a Federal clearing house to "coordinate" State and local activities it was announced by the President on October 21, 1930. A White House statement said that "no attempt was being made to minimize the problem, for it is being recognized as a real one," but expressed faith that there would be no large degree of "actual individual suffering," and estimated the number of the unemployed at 3,500,000. Up to this point Cabinet officials had been in the habit of estimating it at 2,500,000.

On October 22, Colonel Woods took up his work with the statement that—

> we are going at the problem with all the information and with all the vigor that we can command * * *. It is a race with human misery. I think we will win by furnishing jobs and through social relief measures * * *. It is largely a local problem.

In answer to demands for a special session of Congress, the President asserted on October 24, 1930:

> No special session is necessary to deal with employment. The sense of voluntary organization and community service in the American people has not vanished. The spirit of voluntary service has been strong enough to cope with the problem for the past year, and it will, I am confident, continue in full measure of the need.
>
> Colonel Woods is receiving most gratifying evidence of this from the governors, mayors, industrial leaders, and welfare organizations throughout the country.

About this time another one of the periodic campaigns of optimism was launched through the press. Headlines said that "immediate gains are expected in labor situation" and that "State governors report progress in aiding jobless." The administration continued to give out rosy statements of its public-works activities, including one which gave the palpably distorted impression that $1,000,000,000 worth of Federal public works were in progress, or soon would be. The President issued appeals for support of the local drives of community chests, and of the National Red Cross membership drive. "The Red Cross is our national insurance against the suffering of disaster in any part of our country."

Colonel Woods on November 6 said that "an early improvement in the situation may be expected," and on November 7 said that "the States have the employment matter well in hand, although some are farther ahead in the work than others." On November 17 Colonel Woods announced that

the first phase of the work of the President's emergency committee for employment, including "formation of a central organization and the arousing of the country to the need of general effort to combat unemployment," had been completed. He was not yet ready to announce what the next phase would be.

The President was meanwhile setting the stage for another ineffectual session of Congress. Seven conservative Democratic leaders tendered an offer of "cooperation," readily accepted by the administration, so that by November 13 the President felt assured, and was quoted as saying, that—

The fear and apprehension which have been expressed over reports that delay or filibuster would be resorted to to force an extra session of Congress have, therefore, no foundation.

The ultimate results of the creation of the President's Emergency Committee for Employment were predicted with fair accuracy by The Nation on November 12 when it said, editorially:

It becomes clear that what Mr. Woods has accomplished thus far is to call attention to what has been done or what is supposed to be about to be done. His action has precisely the value that inheres in such publicity. This statement involves no reflection on Mr. Woods, for no improvised organization except a charitable one can do anything of immediate importance in a time like this. * * * Plants are opening and closing all the time as economic necessity dictates. Public works are being undertaken as appropriations become available. Private and public charity go on their old way, with somewhat increased funds, and the suffering and demoralization of unemployment are somehow endured. None of this does or can Mr. Woods fundamentally change.

Fundamental changes were evidently far from the President's mind. The emergency committee for employment on November 22, according to Prof. J. C. Lawrence, a member of the committee, submitted to the President "a report on emergency measures which might be taken to combat unemployment," and said that a report dealing with long-time considerations was in preparation. None of this ever came to the official attention of Congress; and on December 16, 1930, the President answered a formal request of the Senate by asserting that, except for notes and verbal suggestions for use in the annual message to Congress, the emergency committee "has made no report on unemployment."

By this time industrial production had dropped to 82, a loss of 18 per cent since June, 1930, and a drop of 36 per cent since the peak of 1929. Freight-car loadings had fallen to 84, a loss of 22 per cent since June, 1929. The value of building contracts had shrunk to 73, a loss of 42 per cent since June, 1929. Factory employment was at 80.1, a drop of 22 per cent since June, 1929, and factory pay rolls were at 73.7, a loss of 33 per cent since June, 1929.

The congressional session of 1930–31 began with a background of intensified unemployment and distress which could not be hidden by optimistic camouflage and vague promises. Demands for direct relief measures and for an effective public-works program were being made in this Chamber and throughout the country. Every reliable indicator of business conditions showed a movement constantly downward. November, December, and January were marked by an unprecedented number of bank suspensions. The curtailment of industrial production was too obvious to be denied.

The President's annual message on December 2, 1930, shifted all responsibility for prolongation of the depression to the drought and to foreign developments:

In the larger view the major forces of the depression now lie outside of the United States, and our recuperation has been retarded by the unwarranted degree of fear and apprehension created by these outside forces.

This was the line of defense which Republican stump speakers had employed just before the November, 1930, by-election.

The program which the President had outlined a year before was credited with having mitigated the otherwise probable course of the depression:

The result of magnificent cooperation throughout the country has been that actual suffering has been kept to a minimum during the past 12 months, and our unemployment has been far less in proportion than in other large industrial countries.

The President held out hope that, because of the extent to which the United States is self-sustaining, we would "overcome world influences." He insisted:

Economic depression can not be cured by legislative action or executive pronouncement.

I may say, in passing, that he has tried the latter.

Economic wounds must be healed by action of the cells of the economic body—the producers and consumers themselves.

This again, he assured us in his message, would take place through "cooperative action" based upon individual "faith and courage," abstinence from hoarding, neighborly responsibility, industrial responsibility for employees, and upon community and State responsibility encouraged by the National Government. The new relief organization had already received "a most gratifying degree of response."

On the extent of unemployment, the President returned to the contention that, aside from a "normal" unemployment of 1,000,000, only 2,500,000 had been unemployed in the spring, with "some decrease in employment since that time." The number in distress were estimated at from 10 to 20 per cent of those unemployed.

On all other important economic questions the President was vague, or silent. After the depression, he said, it would be necessary to consider what action could be taken "to remove possible governmental influences which make for instability and to better organize the mitigation of the effect of depression," but he thought it "as yet too soon to constructively formulate such measures."

Information demonstrating that the President had continued to minimize the extent of unemployment and distress was presented to the Senate in December and January. I first presented telegrams from central labor bodies which the president of the American Federation of Labor had secured. Later on, I presented to the Senate the results of a questionnaire which I had sent out to the mayors of cities, asking for information concerning the extent of unemployment. Regardless of this information, the bipartisan coalition in the Senate, however, which had been foreshadowed in November, cooperated effectively with the President and with administration leaders in the House to block all real relief legislation.

In response to a resolution which I introduced, administration officials were questioned before the Senate Appropriations Committee early in January, but the committee drew forth little of the basic information concerning the situation. Colonel Woods admitted that his organization did not know the extent of unemployment, but added the comforting observation:

We hope distress is going to be avoided; we hope every community is so organized as to be able to take care of any cases of distress in its neighborhood. I have confidence that that is the situation.

The issue of unemployment relief and the demand for governmental action took legislative form on the floor of the Senate for the first time in connection with the bill for loans for seed and other materials for crop production in the drought area, sponsored by the administration. It will be remembered that the Senate attempted to attach an additional $15,000,000 for loans for the purchase of food. This was rejected by the House; and the Senate receded, only to substitute an amendment to the Interior Department bill making available $25,000,000 to be expended by the Red Cross for relief of destitution in the cities and on the farms.

The administration brought its full influence to bear to defeat this amendment. The Red Cross was induced to assert that it would refuse to administer the fund if it were given. Leaders on the other side of the aisle who had originally sponsored the amendment were persuaded to reverse themselves.

At the time that compromise was under consideration, Mr. President, I had this to say:

I realize that there is no possibility of defeating this conference report. I realize that the votes have been gathered in to pass it; but I want to point out that the Senate of the United States and the Congress and the Executive are utterly failing to meet their responsibilities in this situation. The facts have been presented. The necessity of this assistance is manifest; and yet we are asked

to accept this surrender of the position taken by the Senate by an overwhelming majority.

In 1930 the people of this country went to the polls. It is my conviction that one of the reasons for the overwhelming defeat of the administration and its policies in that contest was the fact that the President of the United States had failed to realize the magnitude of this economic disaster, and had indicated a determination not to afford any assistance to its innocent victims. The Democratic Party, being the party of opposition, was the party to which the people turned in the 1930 election. They gave that party a mandate to fight for the interests of the great mass of the workers and the farmers in this country. Even before the convening of Congress the leadership of the Democratic Party repudiated its mandate and declared for cooperation with the present administration.

Continuing to quote from my remarks made on February 10, 1931, I read:

I feel a good deal like one of the privates in the rear ranks of the army of the King of France, of whom it was said, according to the nursery rhyme that you remember:

"The King of France went up the hill,
With twenty thousand men;
The King of France came down the hill,
And ne'er went up again."

This is a humiliating surrender on the part of the Senate of a great principle, namely, the principle that the justification for government is that it will in emergencies protect its citizenship. We are permitting the precedent to be established that the millions of working men and women in this country and the farmers who are the victims of this drought shall be required to bear the burden, the economic depression, and the drought.

In view of the traditional history of this country to which I have adverted here this afternoon, I say that the Senate should not compromise upon that principle. It should adhere to the policy which the Government has always maintained of affording relief to citizens who are in distress and unable to meet their own problems.

Mr. President, this issue was one of the underlying issues in the campaign of 1930. It will be a dominant issue in the campaign of 1932. Parties and leaders failing to meet their responsibilities and to carry out this traditional policy of the American Government in extending relief to innocent victims of disaster, whether created by nature or by man, will be repudiated.

The Senate, however, did surrender its position. Under the leadership of leaders on both sides of the aisle, they humiliatingly surrendered to the dictates of the administration, and the relief which would have been afforded under the amendment was not available to meet human misery.

Efforts to obtain action upon a more adequate appropriation of $100,000,000 to supplement local relief activities were likewise blocked by leaders of the coalition. The only tangible consequence of the fight for relief was the undertaking by the Red Cross of a drive for a supplemental $10,000,000 indorsed by the President for relief purposes. In spite of administration support this drive succeeded only after two months of campaigning.

Efforts to induce the acceptance of an adequate public-works program were similarly unsuccessful. Instead the pittance of $116,000,000 to temporarily enlarge Federal construction was voted.

In the absence of administration leadership I demanded that—

Some attempt should be made on the part of Congress to afford the means for the mobilization of the intelligence of industry and finance in order that it may be brought to bear upon the problem of solving the question of distribution, as it has been brought to bear during the last 10 years upon the problem of increasing the productivity of our present organization.

I predicted that unless we did that "economic conditions may be infinitely worse 12 months from now than to-day."

This was a point of view with which the President of the United States and the leaders on both sides of this aisle had no sympathy. On February 3, 1931, during the controversy over the relief amendment to the Interior Department bill, the President had said:

The whole business situation would be greatly strengthened by the prompt completion of the necessary legislation at this session of Congress, and thereby the unemployment problem would be lessened.

He asserted that the American people were doing their job, and that they—

Should be given a chance to show whether they wish to preserve the principles of individual and local responsibility and mutual self-help before they embark on what I believe is a disastrous system. I feel sure they will succeed if given the opportunity.

Party leaders in Congress on both sides agreed with the President, and the session ended without relief legislation, without a public-works program, without measures looking to fundamental economic readjustment. For nine months the President was rid of Congress.

Unfortunately—and I point out, Mr. President, that there is likewise now a campaign going on for the adjournment of Congress—it became apparent that "the whole business situation" had not been strengthened, that unemployment had not been lessened, and that local relief activities could not meet the problem of dealing with the spread of distress.

In March, 1931, when Congress adjourned, industrial production had fallen to 87, a drop of 31 per cent since the peak of June, 1929, but a gain of 6 per cent during the time Congress was in session. Freight-car loadings had reached 80, a drop of 5 per cent during the session of Congress, a drop of 26 per cent since June, 1929. The value of building contracts was at 77, a gain of 5 per cent, but a loss of 39 per cent since June, 1929. Factory employment was at 77.9, factory pay rolls were at 74.9.

Mr. President, it has been claimed by some that we tried the theory of expanding public works during the session of the 1930–31 Congress. But it was evident then as it is now that the legislation enacted at that session had no effect during the year 1931, because there was a decline of $632,000,000 in the volume of public construction, from $3,632,000,000 in 1930, to $3,000,000,000 in 1931, attended at the same time by a 50 per cent decrease in private construction, so that the total volume of construction fell from $6,942,000,000 in 1930 to $4,800,000,000 in 1931.

The close of the session in March, 1931, was followed by the pocket veto of the employment exchange bill introduced by the junior Senator from New York [Mr. WAGNER].

Early in April the President suddenly discovered that, after all, wage cuts were in progress. He was represented on April 1 as being "indignant" over the existence of a movement on the part of "the bankers" to drive down wage costs. On April 2, however, it was explained that he had been misinterpreted in the reports which had on the day before ascribed apprehension to him, and that, in fact, the leading industries had succeeded in keeping up existing wage scales. When on the following day the administration's attention was called to Bureau of Labor Statistics figures showing a considerable number of wage cuts, Secretary Doak insisted these applied only to minor establishments and that—

In general I believe manufacturers and business men are keeping the agreement made with the President during the conferences held here following the stock-market crash in 1929.

On April 6 Colonel Woods reported that the majority of the information received by his organization indicated continued need "for relief and made work by municipalities."

At the end of the month it was announced, on April 27, that Colonel Woods was leaving immediately for a vacation, and that seven members of the President's committee would retire from active connection with it. While E. A. Filene commented at the annual meeting of the chamber of commerce that "Colonel Woods is a man of action, who refuses to follow a road which leads windingly or not at all to the goal," it was explained on behalf of the administration that Woods had by no means left because of any misunderstanding with the President and that he had not actually severed connection with the committee.

Again, Mr. President, optimistic statements, forecasting early recovery, or suggesting great public-works activity to offset unemployment, came from the White House or from Cabinet officials and administration spokesmen at short intervals during the ensuing months.

A typical example was Secretary Doak's address in New York on May 4, 1931. Asserting that official data showed improvement in employment, the Secretary said:

No one can tell how long this depression will last, but I am confident that the bottom has been reached and an upward movement already has been started. * * * Courage, patience, and confidence in our ability will solve the economic and any other problem to confront us.

On behalf of the administration they continued to express doubt that wage cutting on anything approaching a substantial scale would occur, although several weeks before the President had intimated the existence of a wage-cutting drive, and William Green about the middle of May had taken the wage-cut problem sufficiently seriously to issue a warning that general wage reductions would produce widespread strikes. Secretary Doak on May 18 maintained that generally large industries had not diminished wages, and that he was "unprepared to say that there has been any concerted movement for wage cuts."

Mr. Fred C. Croxton, who had become acting chairman of the President's emergency employment committee, following Colonel Woods's resignation, stated on May 18:

> Wages will be maintained. Labor and capital will work that out. I do not think the statement of President Green that wage reductions are imminent and will be followed by widespread labor disturbances is prophetic.

Following the submission to the President of the various memorials asking for a special session of Congress, and a statement by myself on May 21, citing a survey of current unemployment conditions and economic trends in support of a demand for an extra session, President Hoover on May 22 issued a formal announcement saying:

> I do not propose to call an extra session of Congress. I know of nothing that would so disturb the healing processes now undoubtedly going on in the economic situation. We can not legislate ourselves out of a world economic depression; we can and will work ourselves out. A poll of the Members of Congress would show that a large majority agree with me in opposing an extra session.

I have no doubt that the latter part of that statement is true, because in view of the coalition which has existed during this depression between the Democrats and the Republicans, it is quite likely that a majority of both Houses of Congress, had they been polled, would have been found to be opposed to an extra session. Certainly every effort was made on both sides of the aisle by the leaders to hasten through all the legislation, so that a sine die adjournment on the 4th of March would not be followed by an extra session of Congress.

In the statement which I issued urging an extra session of Congress I said that—

> The number of unemployed to be cared for in the next winter bids fair to remain close to the 6,000,000 found by the Census Bureau in its survey last January, and the unemployed, together with millions of others who had been working but a few days each week, will be facing dire conditions unless the Federal Government, through a vastly expanded public-works program or through aid to State and municipal governments, undertakes to ease the situation.

On May 22 I issued a statement in which I said that "under constructive leadership" an extra session could—

First. Provide immediate assistance to cities, counties, and States in relieving distress.

Second. Adopt a great public-works program "to provide a substantial amount of employment and to contribute toward the maintenance of wage standards."

Third. Enact agricultural relief legislation.

Fourth. Stimulate export trade by reducing tariffs.

Fifth. Increase income and estate taxes to meet the deficit, provide for a construction fund, and for relief of distress.

Sixth. Create a national economic council.

I said also that—

> We have waited 20 months for some unforeseen miracle to bring the country out of disaster. The policy of drifting has failed. The time has come for action on all fronts to arrest the continual slide toward further depression and to bring about recovery on a sound basis.

A further White House announcement on May 26, 1931, said that—

> Economic conditions were considered at length to-day by President Hoover and his Cabinet, and they found many factors they considered favorable.

At the same time the country was informed that installation of an air-cooling and heating system in the White House had been postponed as a result of the Government's campaign for economies. The nature of the "favorable factors" found by the Cabinet was not disclosed.

The cheery optimism which emanated from the White House contrasted sharply with a warning on June 8, by Acting Chairman Croxton, of the President's committee, that—

> There must be no let-up in efforts of State, local, and private relief agencies to assist the needy. While demands during the summer will no doubt be lessened because of crop activities, it is almost certain that there will be several million unemployed to be taken care of at the advent of winter.

By this time, Mr. President, industrial production had fallen in June, 1931, some 35 per cent from the peak of 1929. It was at index 83. Freight-car loadings were at index 77, having fallen 4 per cent since the adjournment of Congress on the 4th of March and 29 per cent since June, 1929. The value of building products stood at 63, a loss of 18 per cent since the adjournment of Congress on the 4th of March, a loss of 50 per cent since 1929. Factory employment was at 76, a loss of 26 per cent since June, 1929, and factory pay rolls were at 67.6, a loss of 38 per cent since June, 1929.

On June 15, 1931, the President of the United States delivered an address before the Indiana Republican Editorial Association. In the course of that address he attributed the prolongation of the depression to factors outside the United States; attacked the "minorities" who "would make political capital out of the depression through magnifying our unemployment and losses," and bear raiders; found that "the underlying forces of recovery are asserting themselves," and said that the very existence of fear resulted in "piling up savings in our savings banks until to-day they are the largest in our history," and predicted that "surplus money does not remain idle for long."

He also spoke of the Government's policy of "organizing cooperation in the constructive forces of the community and stimulating every element of initiative and self-reliance in the country," through the financial policies of the Federal reserve system, the Treasury, the Farm Loan Board, the Farm Board, and banks generally, through exhortations to maintain wages and salaries and to preserve the standard of living, and "organized cooperation with industry systematically to distribute the available work so as to give income to as many families as possible"; maintenance of construction work; drought relief; the agricultural marketing act; the tariff, thereby saving farmers and workers from low-wage foreign competition; governmental economy; restriction of immigration; maintenance of "systematic voluntary organization in the community in aid of employment and care for distressed," and in a score of other directions in which cooperation is organized and stimulation given. "We propose to go forward with these major activities and policies. We will not be diverted from them." Thereby "we will prevent any unnecessary distress in the United States, and by the activities and courage of the American people we will recover from the depression."

In that address he warned against—

> Detouring capital away from industry and commerce * * * either by taxes or loans on the assumption that the Government can create more employment by use of these funds than can industry and commerce itself.

He continued:

> While I am a strong advocate of expansion of useful public works in hard times, and we have trebled our Federal expenditures in aid to unemployment, yet there are limitations.

He said that industry and commerce must not be robbed "of its capital," that long engineering and legal interludes are involved; and "above all, schemes of public works which have no reproductive value would result in sheer waste."

There followed the 1-year moratorium of all payments on intergovernmental debts, reparations, and relief debts, which was announced on June 20, 1931, with the statement that it had already been approved by a long list of Members of

Congress and by General Dawes and Owen D. Young, and that—

The purpose of this action is to give the forthcoming year to the economic recovery of the world and to help free the recuperative forces already in motion in the United States from retarding influences abroad.

The President stated that the weight of the intergovernmental debts, the fall in the prices of foreign commodities, lack of confidence in economic and political stability abroad, and the consequent gold movement into the United States—

And the other difficulties abroad diminished buying power for our exports and in a measure are the cause of our continued unemployment and continued lower prices to our farmers.

He continued by asserting that the reparation problem as such was one with which the United States has no relation and that he did not approve "in any remote sense of the cancellation of the debts to us."

Three days later, on June 23, it was said on behalf of the administration, by Commerce, Treasury, Agriculture, and Federal Reserve officials, that "economic gains of a more definite character are being registered with each week throughout the world." The statement continued:

Although officials of the Federal Government do not minimize the distress caused by the 2-year depression and their reports from business and finance show continuing low levels in many lines, their expressed opinions directed attention to healthier conditions disclosed in the reports, together with a widely spread attitude of looking into the future rather than of discussing the wounds left by the economic decline.

Domestic improvement was represented as greater than abroad; but throughout the world, it was declared, the results of preparation for a business revival have begun to show.

These conditions, having had their beginning, are expected now to move forward more rapidly under the impetus of the President's proposal for a year moratorium on international debts and reparations.

The President failed, however, to follow the moratorium with any constructive leadership looking to a solution of the debts, reparations, and armaments problem.

The optimism concerning the outlook for relief of the unemployed was badly shaken by the publication on July 21, 1931, of a report based upon a survey of 184 cities submitted to the President's Emergency Committee on Employment, and at its request, by Allen T. Burns. It said in part:

Reports from the 184 cities surveyed provide unquestionable confirmation of the prediction made to us in the beginning by Acting Chairman Croxton that, whatever change may come in business conditions, welfare and relief needs will be more acute next winter than last. * * * In many cities we find the number of dependent families doubled over last year's estimates. * * * It means that thousands of families, even where the breadwinner may have returned to work, have reached the end of their resources. It is evident that we must prepare now for a major task in social statesmanship.

The second conclusion to which the survey leads us is that private philanthropy can not possibly raise all the funds needed. * * * The larger percentage of the direct relief burden must be met through municipal and county appropriations. * * * In many places, notably Cleveland, Philadelphia, and New York, all funds raised for emergency relief from private sources have been exhausted.

On July 29, 1931, the President summoned Judge Payne, chairman of the Red Cross, to the White House. The White House was reticent concerning the conference, but Judge Payne said that he had been called to discuss "the best way to bring about cooperation among all unemployment agencies." He said that the President had begun a "thorough and comprehensive study" of the unemployment situation with a view toward bringing about such cooperation. He said:

"There is nothing extraordinary about unemployment conditions at this time. I think the situation is quite as well as last winter, excluding of course the drought. There is no drought now except in Montana and the Dakotas. It is a local problem. There is no possible reason why the Federal Government should be called upon. This country can deal with the unemployment situation without any difficulty if it is kept where it belongs—at home." Payne maintained that the Red Cross "has its own job to perform."

On the same day President William Green, of the American Federation of Labor, predicted that 7,000,000 industrial workers would be unemployed by winter and urged national action, including a shortening of working hours.

On the 31st of July it was announced that the President was "continuing his studies of the unemployment problem."

A Universal Service dispatch said that—

Mr. Doak provided the President with a wealth of statistical information to-day, including a general estimate of the number of unemployed, and the prospects of employment for the winter.

In contrast with the American Federation of Labor estimate of 7,000,000, "Secretary Doak's estimate, it is understood, is well below this figure."

On August 1, 1931, it was announced that the President had secured the services of Henry J. Allen, former Senator from Kansas, to go to England and Germany to make a study of the "dole," ostensibly for a group of newspapers, but actually as counter propaganda against probable efforts to force acceptance of some form of Federal unemployment relief.

On August 7, 1931, the President once more issued a long formal statement presenting his point of view on the unemployment problem.

For three weeks, he said, he had been studying, with members of the administration, the unemployment problem, and—

While improvement in the situation in many directions seems promising, the problem, whatever it may be, will be met. With the organized cooperation of local and State and Federal authorities, and the large number of relief and charitable organizations, the problem was successfully handled last winter. We shall adopt organization methods in such manner as may be necessary for the coming winter.

Studies of the probable volume of the load of distress were under way, he stated.

The second requirement, he said, was that of appraising existing organizations, and—

the organization needed to cooperate with these agencies. I have been in communication with several governors and with other public authorities. Already many States and municipalities have begun to lay the foundation for action necessary to meet their problems.

He had also been conferring with business, financial, and labor leaders, and with leaders of relief and business organizations throughout the country. He said:

We have now under way a reexamination to determine the actual number to be employed through the steadily increasing volume of Federal public works. We are canvassing State and municipal and industrial construction to ascertain what may be expected in that direction.

The completion of these conferences and inquiries will require another month. By that time all the facts should be clear, both as to the load to be met, the progress and strength of organization in different regions and the character and method of national organization necessary to coordinate and support them.

The President added orally that he would not estimate the present or future number of unemployment, adding that estimates of unemployment, which run as high as 7,000,000 for next January, were not only bewildering but misleading. * * * He said that a figure given out last January purporting to show that 6,000,000 were out of work, had upon reexamination proven to have many defects. He added that there was no method of accurately determining the exact number out of work. The only solid basis for meeting the unemployment situation, the President said, is to find the number needing relief last winter, and the increase or decrease of that number in various localities as the result of unemployment trends since that time.

The New York Times special dispatch on the White House statement added:

While he did not say so, it is known that the President and his advisers are anxious to have a plan ready before December with which to forestall the possible enactment of "dole" legislation by the next Congress. He has been told by observers that unless a workable project is in progress by the time Congress meets, a flood of "socialistic" proposals is probable.

The Senator from Ohio [Mr. FESS], after a conference with the President, said on August 10, according to the New York Times, "that every possible effort will be made" to avoid the "dole."

The Senator, who had luncheon with Mr. Hoover, said the President was seeking diligently to find a plan adequate to deal with

the unemployment situation without committing the Government to the "dole" idea.

The Federal Government, Mr. FESS said—

The Times story continued—

Will not permit starvation in next winter's expected unemployment crisis. It was realized, he added, that private charity and local government funds to relieve distress, in some localities, will not be able to meet the total requirements without Federal aid.

The President's third great committee-appointing drive to deal with the depression was launched formally on August 19, 1931. The President announced that he had appointed Walter S. Gifford, president of American Telegraph & Telephone Co., president of the Charity Organization Society, and former director of the National Council of Defense—

to set up and direct such organization as may be desirable, with headquarters at Washington, to cooperate with the public authorities and to mobilize the national, State, and local agencies of every kind which will have charge of the activities arising out of unemployment in various parts of the Nation this winter.

A survey to determine need during the next winter was under way. The work "directed so splendidly by Col. Arthur Woods during the past year" would be continued under Croxton's direction as part of the new organization. "I am appointing a nation-wide advisory committee to assist Mr. Gifford," the President said.

The task of proper assistance to the deserving is one which will again appeal to the generosity and humility of our whole people. It is a task which our Nation will perform, for in no people is there developed a higher sense of local responsibility and of responsibility of every man to his neighbor.

In his formal letter to Gifford, the President said that "irrespective of the improvement in employment" many localities would have a heavy relief load. "The whole force of the administration is at your disposal. Based upon my experience of some years in such problems, I am sure we shall compass this task."

The White House, on August 20, made public the names of 61 prospective appointees to the advisory committee to assist Gifford, and on August 21 the President announced that he had received "a splendid response"—52 acceptances. Messages from officials and organizations were coming in in large number and showed "a large amount of preparation for the coming winter." He spoke highly of the results obtained "by the multitude of committees and public authorities last winter. Whether they will have a heavier load to carry next winter is as yet unknown," he said, but he was confident they would meet the needs.

On the same day, August 21, the President made reference to a report of Surg. Gen. Hugh S. Cumming, of the United States Public Health Service. Citing public health "as an index of the ability of the public to weather the emergency," the President said that a report from Cumming on "the condition of public health the past winter" showed that "the general mortality and infant mortality and sickness was less than in either 1928 or 1929 when there was full employment. It is a most creditable showing which the country made last winter, and the various organizations deserve credit for it," the President said according to the United States Daily story.

The President furthermore claimed on August 21 that direct and indirect employment on Federal construction and maintenance work had grown from 180,000 at the beginning of the depression to 760,000 on August 1.

There followed, Mr. President, the organization of the new committee, the President's organization for unemployment relief, of which Mr. Gifford was the head, to deal with the problem of unemployment.

Senators are no doubt familiar with the testimony of Mr. Gifford taken by the Committee on Manufactures in connection with hearings on the Costigan-La Follette direct relief bill. It was developed there—and I shall not take the time of the Senate to go into the details of the organization—that the only purpose served by the committee was as a coordinating agency in an effort to aid the drives of local community chests in their campaigns to raise private contributions to meet the problem of unemployment relief.

However, Mr. President, as is well known, despite the heroic efforts on the part of that committee and of local organizations, the funds raised for unemployment relief during the past winter were woefully inadequate. The testimony presented during the discussion upon the relief bill last January showed conclusively that appalling conditions existed, not only in the metropolitan centers of the country but in the smaller communities, in the coal areas, and in many of the rural communities.

It was along in the fall that the administration for the first time suggested any legislative action on the part of the Federal Government to meet the crisis. It was then that the President initiated the organization of the National Credit Corporation to absorb the frozen assets of some of the banks.

He called a conference at the White House of leaders, both Democrats and Republicans, to secure their approval of a legislative program to be presented at the session of Congress which met in December last. When Congress met industrial production was at 74, a drop of 41 per cent since June, 1929; freight-car loadings were at 69, a loss of 36 per cent since 1929; the value of building contracts was as 38, a loss of 70 per cent since 1929; factory employment was at 69.4, a loss of 32 per cent; factory pay rolls were at 55.8, or a loss of 49 per cent, since June, 1929.

And what were the devices, Mr. President, upon which the leaders of both parties agreed? They were devices to tinker with the credit mechanism, seeking by expansion of credit to remedy this cataclysmic economic depression, utterly failing to recognize that the statistical indices were falling continuously all during this period not because of any lack of credit, but because of the diminishing purchasing power of the people on the farms and in the cities.

I described the Reconstruction Finance Corporation act as a measure to afford hospitalization to the casualties of this depression. While I am frank to admit that the loaning of credit by the Government of the United States in the last analysis to banks, railroads, and insurance companies may have postponed the receiverships of railroads, may have assisted insurance companies, and has effectively up until this time further stemmed the tide of bank failures, in and of itself all of the money loaned by the Reconstruction Finance Corporation has hardly produced a single order for an additional ton of steel or an additional carload of bricks, nor has it produced orders for agricultural products or for consumer's goods.

Mr. President, unless we face the fact that the major cause of this depression is loss of purchasing power on the part of the farmers, the wage earners, and others in this country; unless we attempt adequately to recreate purchasing power, all efforts to check the further continuation of the depression will fail, as they have failed in the past.

The theory of expanding public works in times of depression to provide employment, to recreate purchasing power, and to stimulate a partial industrial recovery, has been advocated by economists for a great number of years. Any person who has made a study of this theory must recognize that the size of the program, and the timing of its employment, are the vital essentials to its success. If we expand public works, as we did to the extent of $116,000,000 in the session of 1930–31, we make no impression upon a depression of this magnitude and character. All we provide is a certain amount of employment for a small percentage of those who may be out of work; but the forces which are undermining the essential values upon which this entire structure rests go forward. It is only by launching a tremendous public-works program that we can hope to provide enough employment, to recreate a sufficient amount of purchasing power, and to exert a direct and indirect stimulus of sufficient potency upon industry, to check the downward trend, and to turn the spiral in the upward direction.

Mr. President, public construction in 1923 amounted to $2,100,000,000.

In 1924 it was $2,700,000,000.

In 1925, $2,800,000,000.

In 1926, $3,000,000,000.
In 1927, $3,700,000,000.
In 1928, $3,600,000,000.
In 1929, $3,500,000,000.
In 1930, $3,600,000,000.
In 1931, $3,000,000,000.

The best estimates which I have been able to obtain indicate that public construction in 1932 will amount to about one-half of what it was in 1931. Therefore, the program provided in the bill sponsored by the Senator from New York [Mr. WAGNER]—assuming that it all is gotten under way in 1932—will just about make up the decline in public construction this year over last year.

In so far as the projects contained in this bill provide employment, it will, of course, be of assistance to the men who are fortunate enough to be employed, either directly or indirectly; but to contend that the expenditure of the sum of money provided for in the pending measure would act as a stimulus toward economic recovery is to deny the facts which confront us.

It is perfectly obvious that if we are successfully to check the downward course of this depression we must adopt a program which will be sufficient, in its distribution of purchasing power and in its direct and indirect effect upon industry, to change materially the existing trend. Otherwise, we obviously face more serious disaster than has yet overtaken us.

I wish to call attention to the testimony of Prof. Willard L. Thorp, of Amherst College, in appearing before a subcommittee of the Committee on Education and Labor. He testified:

The Federal Government has accepted the responsibility for returning confidence to our financial structure. A vigorous public-works policy would further assist in recovery by injecting life into the producing mechanism. Once recovery has begun we can count upon the cumulative forces of increasing employment and advancing prices to carry us out of the depression.

Again, he said:

Assuming that such a program as I have outlined is desirable, the next problem is that of the best time to initiate it. It might be argued that we should wait until the next period of prosperity and then postpone building, catching up to the usual program when the next period of depression appears. There are at least three reasons why it would be better to initiate the program in a period of depression. The first reason is that many of the projects in public construction which enter into our usual expenditure of perhaps $3,000,000,000 per year can not be postponed. They represent items of necessity which must be done. From the point of view of public service it is much more feasible to advance construction rather than to delay it. The second reason for initiating such a program in time of depression is that it is then more acceptable both in the political mind and in the public mind. A policy of controlled public works was sponsored by many organizations and individuals at the time of the 1921 depression, but the ensuing period of prosperity did not prove to be a promising time for establishing it. The third reason lies in the present economic situation. I have not stressed in this statement the responsibility of Government agencies to give every possible assistance to the forces which are making for economic recovery. There can be no doubt but that a vigorous program of public works at this time would mean much more than immediate unemployment relief and the avoidance of the great social waste from idleness. Such a program would unquestionably inject into the present condition of stagnation the vitality necessary to begin real economic recovery.

I also wish to quote from the testimony before the same committee of Mr. John P. Hogan, a member of a large engineering firm of New York City. He said:

There has now arisen a crisis in municipal affairs, financial affairs, and State financial affairs which is resulting in continual abandonment of normal programs.

This thing is going on from day to day. Already 35 per cent, at least, of the remainder has been abandoned, and it looks now as if the total abandonment this year, at the present rate of acceleration, would be from 50 to 60 per cent of the remaining program.

Among other things he mentioned was the fact that New York City, the day before he testified, suspended $225,000,000 of public works.

He continued:

There are two reasons for that. One is either because they are forced to suspend through pressure from the banks or because the interest rate is so high at present that they can not go ahead with these projects and projects which would be self-supporting at any normal rate of interest cease to be self-supporting at 6 per cent, which is what the municipalities are generally being asked to pay now.

Further on he said:

Of the municipal and State work, which normally would be about two and one-half billions, and I think half of it, as 35 per cent has already gone by the boards.

Senator LA FOLLETTE. Then, that would have the effect of reducing employment to what extent, in your opinion?

Mr. HOGAN. At least 1,000,000 people for the construction season, counting not only those employed on the work but the industries involved.

Senator LA FOLLETTE. In other words, you think that in 1932, in the construction season, that there will be 1,000,000 less men employed than in 1931?

Mr. HOGAN. If the present tendency increases and something is not done to check the drop off in municipal work, municipal and State, municipal, State, and county.

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Senator LA FOLLETTE. If the Federal Government should make money or credit available to the municipalities, how much construction do you think could be undertaken during the coming year?

Mr. HOGAN. I think the normal program could be kept up. Of course, the facilities of the municipalities and the States for doing work are greater than that, but I would think that now, if proper credit facilities were extended, that the normal municipal and State program could be maintained this year.

General Marshall, who was in charge of all Army cantonment construction during the war, stated:

Under these conditions it would appear probable that the construction industry for 1932 will be around $4,000,000,000, or less than 50 per cent of its probable normal. Expressed in other words, that means the percentage of reduction in construction from 1931 to 1932 will be the greatest yet had. The profound effect this might have upon the whole industrial fabric must be seriously contemplated.

Public works in the postwar period has mounted from 25 per cent to 33⅓ per cent of the construction industry. Through an increase of some 20 per cent to 25 per cent above that normal during 1931, the construction industry that year was maintained at about 75 per cent of normal. A drop off of public works to 50 per cent of normal during 1932 will almost certainly drop the entire construction industry to about 40 per cent of its normal. A ghastly statement in view of the unemployment situation.

So many detailed lists of public works have been prepared and so many suggestions made as to work to be included therein, I believe there is sufficient information already printed in the Government records to compile a volume well in excess of $5,000,000,000.

Again he said:

The construction industry is the one industry that the Government plays a large part in. The Government is permitting the industry to become the most depressed of all industries through not doing what it is urging other industries to do.

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Senator LA FOLLETTE. General, in looking over the various types of public works which are outlined in the bill, and in view of your large experience, what is your judgment concerning the feasibility of getting those types of public works under way within a reasonably short period of time, provided the money is available and the emergency authority is given?

Mr. MARSHALL. There is no question but that it can be done. I have not the faintest question about that phase of the situation, not the faintest.

Mr. President, what is the situation that confronts us in the country to-day? Not only do we know, from a study of the statistical indices and from other information available, that there has been a continual and drastic decline in business throughout the country, but also we have ample testimony, taken by the committees of Congress and presented on this floor, to show the devastating effects of the decline in business upon the millions of people who have been thrown out of work and who have had their purchasing power destroyed. Admitting that there are not wholly reliable and adequate statistics concerning the number of unemployed at this time, I wish to refer to the testimony given by Mr. McGrady recently before a subcommittee of the Committee on Manufactures. He said:

Now, what is the situation? In the last two weeks there have been 287,000 men and women thrown out on the streets without jobs. At this very hour to-day, from the most conservative figures, there are 10,867,000 people walking the streets. When we first came to the various committees to plead for help and for work and for bread, when we first appeared in favor of the La Follette-Costigan bill, there were approximately 6,200,000 without jobs and a conservative national leadership adopting a

policy of "do nothing now; let us wait," and while they have been waiting the figures have gone up almost to 11,000,000 without any jobs at all.

In the New York Times for June 20, 1932, there appeared this dispatch:

Unemployment among all classes of workers in the United States now ranges between 9,000,000 and 11,000,000, according to the most reliable estimates. Official, up-to-date information as to the exact figure is lacking, however.

William Green, president of the American Federation of Labor, announced in his June statement a revised estimate of 10,634,000 as of the end of March, 1932, saying that the federation's figure was conservative.

Based as it is upon Labor Department and Census Bureau statistics, the federation estimate is generally regarded as sound. Many officials prefer, nevertheless, to strike a range, placing 9,000,000 as a minimum, while many others put the figure at 10,000,000 in conversation.

Mr. President, I wish now to come to a discussion of the amendment which I have offered to the pending bill. The amendment provides that consideration in approval of these projects shall be given, first, to the facility with which the projects may be gotten under way at the earliest possible date. Second, to the amount of labor that will be employed, directly or indirectly. Third, the number and diversity of industries which will be affected, directly or indirectly, by the projects. Fourth, the value of the projects to the economic and social welfare of the country. And, fifth, economical administration of the work.

Recognizing that in a program of this magnitude flexibility must be provided, only the maximum limits have been set upon the various categories of projects—Federal, State, county, and municipal—which are authorized, thus enabling the administrator to adjust the program to meet the exigencies of the situation which may arise as it is put into operation.

Accordingly, the amendment provides that the emergency-construction fund shall be divided into four parts. Approximately one-tenth, or not to exceed over $650,000,000, is to be used to expand construction by Federal agencies, including river and harbor and flood control works, public buildings, forest roads and trails, irrigation and reclamation works, and other lesser projects. One billion dollars is set aside for additional grants for Federal cooperation with States on public-works construction. The amendment provides that the existing Federal-aid highway program shall be largely expanded, and that the Federal Government may contribute half of the cost, or $50,000 a mile, up to a maximum of $100,000 per mile.

Secondly, the bill extends, during the present emergency, the principle of Federal aid in three important directions: First, the construction of all highway bridges, the elimination of railroad grade crossings, and the elimination of important highway grade crossings.

The greatest part of the emergency fund, up to $3,750,000,000, is made available for loans to State and local governments. They have in the past carried on 90 per cent of public construction in the United States, and their public works contain the greatest promise of expansion.

Ninety per cent of public construction in 1928 would be $3,240,000,000 of public works which at that time were carried on by the local, State, and county governments. I have provided for $3,750,000,000, because here is the greatest opportunity to expand a gigantic construction program, and to spread the work into the communities where unemployment is reaping its ravages.

Mr. President, the burdens which local governments are already carrying not only make it difficult for them to enlarge their existing programs but have already resulted in a drastic curtailment in those programs, to which I adverted in my remarks.

It is not difficult to understand why the programs of the municipalities have been curtailed. I wish to refer to a resolution adopted by the Investment Bankers' Association of America on January 30, 1932.

I shall not read the whereases, but the resolution itself provides:

Resolved, That the board of governors of the Investment Bankers' Association of America is opposed to the extension of public improvements which would institute an increase in the bonded indebtedness of States and municipalities under present conditions, and that public officials be urged to adopt programs of strictest economy, adjusting expenditures to actual income, and restricting the issuance of bonded indebtedness to the end that taxation may be reduced and credit maintained.

The purposes for which the money which the amendment proposes to make available may be used include construction of Federal-aid highways, construction of other State, county, and municipal highways, streets and pavements, construction of bridges, water supply and sewerage works, building of flying fields exclusive of the purchase of land, establishment of parks and playgrounds exclusive of land purchases, construction of schools and other public buildings, elimination of grade crossings, and the building of fire-prevention lanes and other forestry construction work.

The fourth part of the fund provided in the amendment is to be used to initiate types of construction which it is hoped will be taken up by private enterprises and continued beyond the period of the emergency. An amount of not more than $100,000,000 is therefore set aside for loans on somewhat longer terms to limited dividend corporations organized for the purpose of constructing housing for the low-income groups and for the elimination of congested and slum areas. Full control beyond approval of specified emergency projects and proposals is vested in the administrator of public works under the amendment, subject to the requirement that loans to States and local governments and limited dividend corporations must also be approved by the emergency finance board, which is to fix the amount according to approved financial and banking principles. The board is to take into consideration the financial condition of the borrower, the ability of the borrower to obtain funds at reasonable rates from other sources.

To prevent the continuance of expenditures and the making of loans beyond the duration of the emergency, the bill provides for the termination of the emergency construction and of the sale of bonds as soon as industrial production, as measured by the index computed by the Federal Reserve Board, reaches five points below the average of 1923 to 1925.

In other words, this proposal outlines an objective to be achieved. It is not for the purpose solely of providing work to those who are jobless. It seeks to achieve an objective, a partial economic recovery, by launching a sufficiently large program and by carrying it forward until that objective is obtained. This is a program of $5,500,000,000 which will be put into operation as rapidly as possible, and which will be continued until industrial production as computed by the Federal Reserve Board reaches the figure of 95, which is 5 points below the average of 1923 to 1925. Once that is achieved, the amendment directs the administrator of public works to sell no further bonds and to enter into no further new contracts for construction.

Mr. President, every student of the theory of expansion of public works as a means of stimulating recovery in times of depression is agreed that the size of the program and its timing are essential to the successful employment of that theory. If we stop short of an adequate program then the money which we have expended will be lost in the continued decline of essential values and in the mounting of unemployment. Of course so far as the lesser program provides work for those who are unemployed it will be beneficial to those individuals, but I warn the Senate and the country that an inadequate program will only result in throwing good money after bad in so far as checking the downward economic trends is concerned. An inadequate program such as is provided in the Wagner bill will prove a tragic and a dismal failure.

Mr. President, we are facing a grave national emergency, graver than in all the history of the Republic, and I do not except the World War. Have Senators ever paused to consider what the economic and social consequences may be in losing the battle against depression? I say to you, Mr. President, that a program should be inaugurated at this time sufficient to achieve the objective of partial recovery. A lesser program is to abandon the country to the conse-

quences of a continuation of the depression. I say to you, sirs, that if that takes place, graver results will come than though we had lost the World War.

At least 10,000,000 men and women are out of work. At least another 10,000,000 are working on part time. While we have had a short breathing space in bank failures, the continued decline of essential values will inevitably inaugurate another epidemic of financial failures unless the Congress acts in the emergency and adopts an adequate program.

Mr. President, the solvency of the surviving banking institutions, insurance companies, and savings banks, as well as industrial corporations, hangs in the balance. Drastic measures are necessary to prevent national paralysis and economic chaos. I am weighing my words, Mr. President, when I make such statements. I make them only because I feel it is my responsibility to speak my convictions after studying this problem for more than two and one-half years. Upon my responsibility as a Senator I warn my colleagues that those who vote against this amendment must assume full responsibility for the disaster that will follow the failure to undertake a bold program to save the situation.

Mr. President, the measures thus far adopted are merely devices to absorb the frozen assets of banks, railroads, and insurance companies, and to tinker with and liberalize the credit structure. Apparently the administration and the leaders in Congress on both sides of the aisle who have followed the administration could not see that the absorption of frozen assets of insurance companies, banks, and railroads produced by a decline in essential values could not permanently save those institutions or stimulate economic recovery because if those essential values continued to decline, as they have done ever since the Reconstruction Finance Corporation act and the Glass-Steagall Act were passed, they continued to freeze additional assets.

There is no hope that any of the measures thus far adopted will cause a rise of commodity and security prices. The public-works expansion proposed in the amendment embodies the only emergency program which holds out any hope of a rise in commodity prices. While I am ready and willing to admit that estimates, under either of the programs which are presented to the Senate, as to the number of persons who will receive employment, are mere estimates, the best calculations which I have been able to secure indicate that a $5,500,000,000 program would provide jobs directly to 1,500,000 persons and would give employment indirectly to an additional 3,000,000 persons.

Mr. President, I ask Senators to visualize what a well-balanced public-works program as embodied in the amendment would do in so far as its direct stimulus upon production is concerned. It will stimulate production all along the line. Basic industries, hardest hit in this situation, will directly and immediately feel its stimulus. Iron, steel, cement, brick, lumber, and the quarry industries—in other words, the industries that produce the building materials—will immediately feel the repercussion of such a program. Commodity prices will be stimulated from two directions. They will respond directly to the immediate demand for finished and semifinished products. The flotation of the bond issue, if properly handled, will contribute still further to offset the disastrous processes of deflation which we have been experiencing. It will have the same effect as the flotation of bonds during the war had upon commodity prices. It will inevitably cause them to rise.

Once commodity prices start upward the attitude of every consumer in the United States will be changed because it is a fact that people do not buy in a falling or declining commodity market. They buy only when commodity prices are stable or rising. It is true not only of the individual consumer but it is true of the merchant, it is true of the wholesaler, it is true of the manufacturer. Shipment of the finished and raw materials which such a program will provide will increase the earnings of the railroads.

Mr. President, we may loan all the money to the railroads which they can absorb and we will not provide an additional ton of traffic for them to haul. Adopt the program of this amendment and we will bring about the shipment of goods over the railroads to such an extent that they will be in a position to pay some of the loans which we have made to them instead of asking for more.

Mr. President, the wage salary loss in this depression is estimated to be in excess of $20,000,000,000. Six million farmers dependent upon agriculture have had their purchasing power either completely wiped out or greatly reduced. The gross income of the farmers has fallen from $11,000,000,000 in 1929 to $6,000,000,000 in 1931. In order to make strides toward economic recovery we must restore the purchasing power to the consumers on the farms and in the cities. If we are to attempt to revive industry and agriculture, the only way by which buying and production can be stimulated sufficiently is through the expenditure of huge sums by governmental authority—city, county, and State—for public construction. The workers employed, directly and indirectly, as a result of such a public-works program will be once more able to buy shoes and clothing, food, and other consumers' goods which now they are unable to buy or have bought only in limited quantities. Restored purchasing power will enable consumers once more to purchase not only the necessities but also some of the things which we have come to call luxuries.

A bond issue of the size proposed by the amendment will restore to circulation and to use a large part of the funds now lying idle because of the reluctance of those who have savings and capital to invest in the present market. In loaning money to the Federal Government large and small investors are not faced with the difficulty of forecasting the hazards to which private enterprises are subjected. They are certain that the bonds which they buy will be repaid, and the circulation through the channels of consumption and production of the money expended directly will multiply several times the effect of the expenditures proposed under the terms of the amendment.

Mr. President, I wish I had the time to refer to a study entitled "The Stabilization of Employment in Philadelphia," made under the direction of William N. Loucks, research associate of the industrial research department and assistant professor of economics at the University of Pennsylvania. I wish to direct attention to the chapter entitled "The Wage Payments to Philadelphia Laborers Resulting from Expenditures for Construction Work in Philadelphia." This very exhaustive and comprehensive study, Mr. President, was made of the public-works program of the city of Philadelphia. It was found that approximately 50 per cent of the money expended for public works in Philadelphia remained within the legal limits of that city; and, if the State of Pennsylvania were taken as the boundary, even a much greater percentage out of every dollar expended for public works in that city remained in the State of Pennsylvania.

According to this study the dollar spent for public construction is multiplied four times over in the process of going through the circuit from the city government to the contractor, to the wage earner, then to the merchant, then back to the producer of the consumer's goods, where the dollar is again split between wages and capital, and again is divided, and thus multiplies itself four times over as the expenditures go forward.

I ask unanimous consent, Mr. President, to insert at this point in my remarks a table entitled "Table 32," to be found on page 178 of this study, which shows a "Classified summary of the expenditures resulting from an original expenditure of $1,000,000 on construction work in the city of Philadelphia."

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

TABLE 32.—*Classified summary of the expenditures resulting from an original expenditure of $1,000,000 on construction work in Philadelphia*[1]

Turnover	Expenditures in Philadelphia				Total expenditures								
	Wages	Profit	Materials (produced in Philadelphia)	Total	Produced in Philadelphia		Produced outside Philadelphia		Total	In Philadelphia	Outside Philadelphia	Total	Wage payment in Philadelphia (per cent)
					Consumers' goods	Materials	Consumers' goods	Materials					
First	$350,000	$150,000	$125,000	$625,000	$250,000	$125,000	$250,000	$375,000	$1,000,000	$375,000	$625,000	$1,000,000	71.1
Second	93,750	93,750	46,875	234,375	93,750	46,875	93,750	140,625	375,000	140,625	234,375	375,000	19.1
Third	35,155	35,155	17,581	87,891	35,155	17,581	35,155	52,731	140,622	52,736	87,886	140,622	7.1
Fourth	13,181	13,181	6,589	32,951	13,181	6,589	13,181	19,776	52,727	19,772	32,954	52,726	2.7
Total	492,086	292,086	196,045	980,217	392,086	196,045	392,086	588,132	1,568,349	588,133	980,215	1,586,348	100.0
Per cent	50.2	29.8	20.0	100.0	25.0	12.5	25.0	37.5	100.0	37.5	52.5	100.0	

[1] Minor discrepancies between various items in the table are due to the fact that portions of a dollar were disregarded in the calculations. For some of the calculations the limits of the turnover periods had to be shifted slightly from their original places as represented by the broken lines in Chart V.

Mr. LA FOLLETTE. Mr. President, it has been contended by the opponents of this program that bonds could not be sold, or if they were sold they would result in depressing the bond market, causing losses to existing owners of Government bonds. I wish to direct attention to the fact that on March 10 the Treasury offered $900,000,000 of Treasury certificates. The New York Times contained a dispatch of March 10, from which I quote:

> Marking the heaviest oversubscription to a Government issue of securities in many months, the subscriptions to the $900,000,000 offering of Treasury certificates to go on the market March 15 amounted to $3,402,725,500, Secretary Mills announced to-night.

On June 10 the following dispatch appeared in the New York Times:

> Treasury security issues of the offerings to be dated June 15 were heavily oversubscribed, Secretary Mills announced to-day.
>
> For the $350,000,000 offering of 1½ per cent 1-year certificates the subscription was $1,653,799,000. For the $400,000,000 offering of 3 per cent 3-year notes the subscription was $1,143,548,400.

Mr. President, during the World War we sold $25,000,000,000 worth of bonds to the American people, and for what purpose? For the purpose of destroying human life; and yet it is contended that this Government can not to-day sell to the American people over a period of time five and one-half billion dollars worth of bonds for the purpose of construction and for the preservation of human life and American Government. In view of the oversubscription of the Treasury certificates, some of them running for a 3-year period, can it be contended that if a comprehensive, organized campaign were undertaken in this country similar to the ones which were conducted during the World War to sell Liberty bonds, the American people would not invest in those bonds? Mr. President, I have not lost so much faith in the American people and in their willingness to contribute to the Government provided the Government will launch a program which holds out hope of recovery from the situation which confronts us.

Mr. President, 31 leading economists in this country outlined a program not dissimilar to the one found incorporated in this amendment. I have, however, not provided for the $1,400,000,000 of Federal construction which they recommend, because it is my belief that in our past experience the Federal programs are slow in getting under way. They suggested $4,000,000,000 for State, county, and municipal works. I have provided a top limit of $3,750,000,000. As I pointed out a moment ago, 90 per cent of the public construction in the United States has over the last 10 years been carried on by city, county, and State governments; 90 per cent of public construction in 1928 amounted to $3,240,000,000. Mr. President, there can be no question that if this program were adopted by the Senate and the funds proposed to be provided were made available at reasonable rates of interest to cities, counties, and States, more than $3,000,000,000 of the amount provided in my amendment to be loaned to the cities and counties and States for their public-works programs would be absorbed in a very short period of time. It is well known that every State and every city and county of any importance in this country has projected its improvements into the future; it has more of its programs in the blueprint stage than has the Federal Government, and therefore more than $3,000,000,000 of this program could be launched in a short time.

The other day, in discussing his bill, the Senator from New York [Mr. WAGNER] said that he knew of only two projects in the State of New York that could qualify under the bill which he is sponsoring. I ask what hope there can be for the unemployed in the city of New York under the Senator's proposal, as found in this bill, with only two projects eligible for inauguration, when, as a matter of fact, within a few months that city has abandoned $225,000,000 worth of its normal public-works activities because the banks refused to extend it credit, and demanded the curtailment of its public-works activities?

The same situation prevails in every city in America. The same situation prevails in practically every county and in every State in this country.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. THOMAS of Oklahoma. Will the Senator at this point very briefly summarize his argument to date by stating the exact amount of money that his amendment contemplates being spent, and then, secondly, very briefly, just how the unemployed are to be placed at work?

Mr. LA FOLLETTE. Mr. President, I have gone all over that once. I shall be glad to do it again. The Senator can readily ascertain how the program is divided if he will take the amendment, turn to page 4 and read the emergency-construction program. He will see that the largest part of the money provided for by the program—$3,750,000,000—is to be loaned to cities, counties, and States to carry on their public-works projects which they normally would be building now, but which they can not launch because of their inability to secure funds at reasonable rates.

One billion dollars would be available for Federal and State-aid projects. The Senator will find that on page 7, section 7. It is my judgment that the projects which would be launched first and most readily are the projects contained in section 7, which provides a billion dollars for Federal-aid highways, not to exceed $500,000,000 of which shall be apportioned under the highway act of 1921. I have raised the limitation to $50,000 a mile to provide for work within the metropolitan areas of cities; also $150,000,000 to meet 50 per cent of the cost to the State and their civil subdivisions of highway bridge construction without regard to the provisions of the Federal highway act.

Next, $250,000,000 is made available for meeting 50 per cent of the cost to the several States and their civil subdivisions of the elimination of railroad grade crossings. I think there is no doubt that every dollar of that could be spent. Practically all of these railroad grade crossings in

every State in the Union have already had their plans and specifications drawn. May I also say to the Senator that that type of work produces a large percentage of hand labor, because the grading and the other things which are usually done by machinery on regular highway work can not be done by machinery on these overhead viaducts.

Also, not to exceed $100,000,000 is made available for meeting 50 per cent of the cost to the several States and their civil subdivisions of the elimination of highway grade crossings and the construction of by-pass roads. Many of these States with congested traffic conditions, through their highway departments, have already projected the elimination of some of these very dangerous highway crossings.

The plans are drawn, the specifications are ready, and if these funds were made available at reasonable rates of interest the dirt could begin to fly on those jobs within three months. As a matter of fact General Marshall, who had charge of a large percentage of the construction during the war, stated that in his judgment the dirt could be made to fly on the bulk of the projects provided for in my amendment within six months, a larger percentage within a year, and all of it within 18 months.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield further at this point?

Mr. LA FOLLETTE. I yield.

Mr. THOMAS of Oklahoma. The Senator will remember that when the original bill was before the Senate some time ago I voted for the so-called Costigan-La Follette bill.

Mr. LA FOLLETTE. I remember that; yes, sir.

Mr. THOMAS of Oklahoma. At that time I introduced a bill extending the amount of work to be provided under that feature of the bill. The one objection I have to the so-called Wagner amendment or Wagner bill is that it will not do for my State anything that is very much worth while. I have considered the bill rather thoroughly, and the best I can figure is approximately five or five and a half millions that might go to Oklahoma if this bill should become a law. Of course that is fine so far as it goes; but a good part of that would be for material, and very little would be for labor.

For that reason, while of course I shall support the Wagner bill, yet I shall be very glad to give my support to the amendment offered by the Senator from Wisconsin.

Now the second provision: Will the Senator explain very briefly just how he proposes to raise the money with which to finance the works just outlined?

Mr. LA FOLLETTE. Mr. President, I am proposing to strike out the $500,000,000 public-works provision in this bill, and to substitute a provision for five and a half billion dollars' worth of bonds.

Mr. THOMAS of Oklahoma. Does the Senator mean that those bonds are to be issued by the Treasury and sold to the bond-buying public?

Mr. LA FOLLETTE. It is contemplated that they would be sold by a nation-wide drive, just as Liberty bonds were sold during the war. I have not changed the committee amendment in that respect, because it is practically the identical language of the amendment which I had in my original bill, and I think both were taken from the Liberty loan acts. It provides for their sale in small denominations to the general public through a campaign; and I was just stating when the Senator interrupted me that in view of the oversubscription of these Treasury notes, and in view of the fact that we were able to sell $25,000,000,000 of bonds during the war, I have never been convinced that these bonds could not be sold if they were sold by the same methods that were employed during the war; namely, a nation-wide campaign to sell them on the borrow-and-buy plan.

There is alleged to be upward of a billion dollars in hoarding; and the sale of these bonds certainly would have a beneficial effect in bringing that portion of the circulating medium out of hiding and putting it to work.

Mr. President, in conclusion I wish to direct attention to the appalling situation which confronts this country so far as the people who are in the front-line trenches of this depression are concerned. I, therefore, wish to refer briefly to some of the testimony on this subject given at a hearing before a subcommittee of the Committee on Manufactures on June 20, last Monday.

There appeared Dr. Sidney E. Goldstein, of New York City. I quote briefly from his testimony:

At the present time the reports that are coming to us all present a picture very much darker than anything that we have witnessed during the last 10 or 15 or 20 years in the United States. Now, this picture is now so dark that we feel that the time has come, Mr. Senator, not to plead any longer for the consideration of the bills, but to demand action on the part of the administration and the Congress. The situation is so grave that we are compelled to call your attention to two things: First of all to make provision for the relief of those who to-day are utterly without resources in the larger cities of the country and in the rural districts.

Those of us who are near to the working classes and to the unemployed, know that to-day in some cities it is even impossible for men and women who are out of work in desperate need to find the office to which to apply for assistance.

In New York City I regret to tell you that the offices of the Home and Work Relief Bureau established by the city of New York are closed, and have been closed since early in April. There is no place to which the unemployed can even apply for aid at the present time.

In New York City the conditions are growing worse and worse. Men and women and families are moving into basement tenements that were declared uninhabitable and condemned fully 25 years ago.

In view of the situation we are compelled to ask Congress to delay no longer in the passage of the bills that will meet the needs of the unemployed in an adequate and statesmanlike manner.

We are compelled to ask you to do two things. First of all, to provide relief—relief such as is called for in the bills that are now before the Senate and before the House.

Further on he said:

We dare to say this to you, that Congress must not adjourn until the problem of the unemployed has been met, until some arrangement has been made to provide people who are starving with food that they must have in order to be saved, and Congress must not adjourn until some provision has been made to launch the great construction program that we have again and again pressed upon Congress and that some Members of the Senate and some Members of the House, we are happy to say, have consistently also approved and urged upon their colleagues.

Further, he said:

If a great epidemic were to sweep this country, involving between 20,000,000 and 30,000,000 men and women, Congress would not hesitate to appropriate the necessary amount of money. If a flood were to overwhelm a large part of our population, Congress would not delay. If war were to break out and devastate our land, Congress would not temporize.

The crisis and catastrophe that are come upon us are just as great as an epidemic, are just as great as a war, are just as great as a flood. More people are suffering to-day than were suffering during the period of the war, and we ask Congress, both the Senate and the House, and the administration as well, to think now of the men and women who must be saved and not of other problems that to us are secondary in the life of the Nation.

I wish to read also a statement of Dr. James Myers, secretary of the Federal Council of the Churches of Christ in America:

Mr. Chairman, it is my conviction that our very form of government is facing a supreme test at this moment, not only as to its ability as a democratic form of government to act quickly and wisely enough to balance the Budget but also as to its ability and its determination to care for the millions of unemployed people who should be its chief concern.

I do not consider this a partisan issue, and it seems to me that if Congress adjourns without dealing with it adequately both parties will be morally culpable.

I should like to say that in regard to Federal aid it seems to me Federal aid, both for unemployed relief and public works, is absolutely essential and ethically justified because as you will hear more, and you have heard a great many times, there are a great many communities which are unable financially to take care of the situation. Places where whole industries have broken down, such as the bituminous-coal industry, rural sections, places where banks have failed and where tax limits have been reached, and so on.

I have visited in the course of the year a great many of these and I am very apprehensive of what is going to happen if something adequate is not done; and, secondly, the Federal Government alone has got sufficient taxing power and sufficient credit resources to handle the widespread calamity which is national, as this one is.

* * * * * * *

In regard to a large and adequate public-works program, I do not need to recount again that leading economists and engineers and students of government are in favor of this method, as perhaps the most constructive method of all.

I might say that the churches for three years have been pointing out the advisability of this kind of a program and hoping for action.

I should like to read a short statement, which it seems to me was particularly significant, because it was gotten out last January following a great conference held the year before by three great national religious bodies. This statement was gotten out by the Federal Council of Churches, joined with the department of social action of the National Catholic Welfare Conference and the social justice commission of the Central Conference of American Rabbis. It reads as follows:

"We believe that immediate and adequate appropriations should be made available by national, as well as local governments, for such needed and useful public works as road construction, development of parks, elimination of grade crossings, flood-control projects, reforestation, and the clearing of slum areas in our cities. If such a governmental program be undertaken now, we will face the months that lie ahead with prospects of work for a large number of the unemployed and consequently increased purchasing power which will stimulate all business. The economic wisdom of this proposal has been attested by leading economists."

* * * * * * *

Further, he said:

The church forces, as I take it, do not presume to lay down detailed methods and techniques to be followed in these matters. These things must be worked out by statesmen and economists and engineers, but I do feel that it is distinctly within the sphere of religious forces to point out the grave conditions that obtain and what they mean in terms of human life, and to point out also, Mr. Chairman, the moral responsibility of the Nation, and I may say a major responsibility, to care for its own. Only so, Mr. Chairman, does it seem to me that this very form of government under which we live and which we are proud of, only as it meets this moral responsibility as a nation to care for its own, only so shall we demonstrate to our own citizens and to the world that we are really a government of the people, by the people, and for the people.

Dr. Edward L. Israel, chairman of the committee on social justice of the Central Conference of American Rabbis, had this to say, among other things:

Now, you may ask why the concern of religious organizations in this solely economic problem. The reason for that has been given to you in the closing words of my colleague, Mr. Myers, but I may add that we have discovered, if we did not know it before, we have discovered in this economic crisis in which we now exist that there is an indissoluble connection between a health of body and a health of soul, and that if we are going to allow the economic sources of the land to degenerate, to become the prey of injustice, to become the prey of starvation, then all of the cultural and all of the spiritual efforts that we make to stabilize our civilization amount to nothing and can be swept away in a moment. It is in the interest of the preservation of the spiritual values in American life, of which we talk so fluently and for which we do so little, as well as in the name of justice for the suffering masses, the millions of our land that we of the religious bodies are here before you, and, after all, we recognize the fact that this crisis is not what we might call an act of God.

We have the instrumentalities of plenty. We have the resources. We have the ability. We have the energy. We have the man power whereby a strong and sound and decent economic life could exist in this country.

We live in the present crisis because of the incapabilities or the unwillingness of human beings to administer the universe in an intelligent, decent, and just manner, and so it becomes the responsibility of man and man has chosen government as a means whereby he can administer the social forces of life. And so, very logically, we come to you, the representatives of our Government, in order that justice and decency may be achieved in our present situation.

* * * * * * *

It becomes a national crisis. It becomes a matter for Federal aid.

* * * * * * *

A Justice of the United States Supreme Court said recently that we face an emergency even greater than any emergency caused by war, and we have to think of it in that term. We have to think of it not in terms of the bond market or the obligations to certain financial interests. We do not consider those responsibilities when the life of our Nation is at stake and we pour millions upon millions and more millions of dollars into the preservation of our national assets and what we regard at the moment to be the safety of the citizens of our land. From the lips of a United States Supreme Justice we hear that we face just such an emergency at the present moment, and it is a challenge to some of the physical resources of the country to meet that emergency for the benefit of our country and for its stability.

* * * * * * *

Let me say, too, whatever may be the objections of business organizations, that business is paralyzed. I have spoken to leaders of business in the course of my work and all that they do is come with a plea, "What can I do?"

* * * * * * *

It is more than an economic situation, gentlemen, it is the greatest challenge to the governmental life that we have ever known. It is the real question whether such a government has that power that no other government has ever had before in its existence.

Mr. McGrady, speaking for the American Federation of Labor, said:

Mr. Chairman and members of the committee, I have no desire to be repetitious this morning. We have marched up this hill patiently for months pleading and begging the Congress of the United States and the leaders of the administration to do something to meet this great national crisis, and up to the present moment they have done very little or nothing. The pleadings of the people have been in vain.

The first gentleman who spoke to-day said that the Congress ought to do something to save the hungry. I want to assure you gentlemen that if the Congress of the United States and this administration does not do something to meet this situation adequately, next winter it will not be a cry to save the hungry but it will be a cry to save the Government.

Conservative leadership may be all right when the old ship of state is sailing along smooth waters, but conservative leadership was never any good in time of war and we are in a state of war against hunger and against poverty, and conservative leadership is not needed. We want bold, courageous, and intelligent leadership in this country and perhaps we will have that eventually unless this situation is going to be met.

Mr. President, I have quoted from statements because I wanted to impress upon this RECORD the gravity of the crisis which confronts this country. I could cite no more startling indication of the critical character of the emergency than the testimony which I have quoted from these conservative leaders of religious opinion, and this conservative representative of the American Federation of Labor.

Mr. President, here is the issue Senators must face on this amendment. Will they adopt a program of sufficient size to meet this emergency, or will they compromise, and reduce it to the point where it can accomplish nothing toward stimulating economic recovery? The Wagner bill is only a few steps in advance of a made-work relief program.

Mr. President, a further decline will produce a cataclysmic phase in this depression which will threaten the very foundations of Government itself. I have appealed all during the crisis for action on the part of the Government to save the millions of human beings who are being ground to bits in this process. My pleas for the most part have fallen on deaf ears; but that, sir, is no responsibility of mine. I have discharged to the full my responsibility in the situation.

I ventured at the outset of my discussion to review the record of this administration and of the bipartisan coalition in Congress which had followed it, because upon that record of dismal and tragic failure, which amounts to dereliction in duty, I wish to appeal to this body to now assert its leadership and to assume its responsibility by adopting a program commensurate with the magnitude and the gravity of this crisis.

Congress is about to adjourn, Mr. President. This is the last chance for Congress to act before next December. I appeal to members in this body to act now and to adopt a program adequate to meet this emergency lest, when we reconvene next December, it will be too late to act.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. COSTIGAN. May I ask the Senator from Wisconsin a question?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. To my regret, I have not heard all, though I have heard much, of the remarkably impressive address of the Senator from Wisconsin. May I ask if I am correct in assuming that the program of public construction advocated by the Senator is in part calculated to take up the slack of present unemployment, stimulate confidence, and start in motion the idle wheels of industry?

Mr. LA FOLLETTE. Mr. President, it is not calculated to provide direct or indirect employment for 10,000,000 who are now out of work, but it is calculated to provide a sufficient amount of employment, direct and indirect, and, through the distribution of purchasing power, to secure a revival of business generally which will provide employment for all who are out of work.

Mr. COSTIGAN. In other words, the Senator from Wisconsin hopes to initiate a movement which will help to bring about a restoration of more normal and prosperous industrial conditions?

Mr. LA FOLLETTE. What I said in the course of my discussion of the amendment is that it sets an objective. It proposes that the program shall be continued until the index of industrial production reaches 95, which is 5 points below the average of 1923 to 1925. There is no use trying to prime this economic pump with a medicine dropper. We will only lose the water we pour down the pump. If we are to make the pump function again we must prime it with a large enough supply so the plunger once more will begin to work.

Mr. COSTIGAN. I do not know whether the Senator from Wisconsin has used or commented on certain statistics before me. The Census of Manufactures for 1929, a summary of which was published in Washington December 31, 1930, indicated that when the census was taken in 1929 there were, not including salaried employees, 8,742,761 factory workers employed in the United States; that the value, added by manufacture through their work in 1929, aggregated $31,687,061,130, and that the wages of those workers amounted to $11,421,631,054.

These statistics give some impression of the magnitude of the present unemployment problem over which the Senator from Wisconsin is justly concerned, and which he is wisely endeavoring to correct. The figures quoted point to gains in one year in national wealth, in addition to wages, through the labor of our factory workers in 1929 of more than $20,000,000,000. With unemployment at this hour exceeding the number of factory workers employed in 1929, some picture is given of the loss in wages, production, and markets for farm products, and general business. The figures emphasize that no public-works program, which gives promise of relief, is expensive when compared with the mounting cost of our continuing unemployment.

Mr. LA FOLLETTE. I thank the Senator very much for his illuminating suggestion.

Mr. President, I ask to have inserted in the RECORD at this point the table showing industrial production, freight-car loadings, and so forth, for various years, to which I have referred in the course of my remarks, and also an article from the United States Daily, entitled "Group of Mayors Asks Congress to Vote Aid to Cities."

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

[Minus (−) denotes decrease; plus (+) denotes increase]

	Industrial production	Freight-car loadings	Value of building contracts	Factory employment	Factory pay rolls (unadjusted)
June, 1929 (peak of activity)	127	108	126	102.7	109.7
September, 1929	122 −4% −4%	106 −2% −2%	110−13%−13%	102.4	111.9 +2%
December, 1929	100−18% −21%	102 −4% −6%	102 −7%−19%	96.9 −6%	99.1−10%
March, 1930	104 +4% −18%	96 −6%−11%	102 −19%	92.9	98.2
June, 1930	100 −3½%−21%	93 −3%−14%	99 −3%−21%	89.7−12%	90.7−17%
September, 1930	91 −9% −29%	87 −6%−19%	81−18%−36%	83.4	83.0
December, 1930	82−10% −36%	84 −3%−22%	73−10%−42%	80.1−22%	73.7−33%
March, 1931	87 +6% −31%	80 −5%−26%	77 +5%−39%	77.9	74.9
June, 1931	83 −5% −35%	77 −4%−29%	63−18%−50%	76.0−26%	67.6−38%
September, 1931	76 −8% −40%	69−10%−36%	59 −6%−53%	72.8	61.8
December, 1931	74 −3% −41%	69 −36%	38−35%−70%	69.4−32%	55.8−49%
March, 1932	67 −9% −48%	61−11%−43%	26−32%−79%	66.4	52.3
April, 1932	64 −4% −49½+%	59 −3%−45%	26 −79%	64.3−37%	48.7−56%

The newspaper article ordered to be printed in the RECORD is as follows:

GROUP OF MAYORS ASKS CONGRESS TO VOTE AID TO CITIES—FIVE BILLION EMERGENCY LOAN TO BE MADE AVAILABLE IMMEDIATELY IS PROPOSED TO PROVIDE EMPLOYMENT—REQUESTS FIVE HUNDRED MILLION TO FINANCE LOCALITIES—URGES RECONSTRUCTION CORPORATION BE AUTHORIZED TO REFUND MUNICIPAL BONDS AND SEEKS THREE HUNDRED MILLION DIRECT AID

Declaring Congress must not adjourn without adequate legislation to aid municipalities in meeting unemployment and other problems, a delegation of mayors and other heads of seven cities, at a meeting at the Capital June 7 asked Congress to provide a $5,000,000,000 prosperity loan, immediately available, to put millions of men at work.

They conferred first with Speaker GARNER (Democrat), of Uvalde, Tex., and with him sat Representative RAINEY (Democrat), of Carrollton, Ill., the majority leader; and Representative SNELL (Republican), of Potsdam, N. Y., the minority leader. Later they presented their memorial to the Senate Committee on Banking and Currency.

REPRESENT 31 CITIES AND TOWNS

The nonpartisan delegation, authorized to present the memorial by a conference of representatives of 31 cities at Detroit, Mich., on June 1, comprised the following: Mayor James M. Curley, of Boston, Mass.; Mayor Frank Murphy, of Detroit, Mich.; Mayor Ray T. Miller, of Cleveland, Ohio; Mayor Daniel W. Hoan, of Milwaukee, Wis.; Mayor William A. Anderson, of Minneapolis, Minn.; A. Miles Pratt, director of finance, New Orleans, La.; and George Welsh, city manager, Grand Rapids, Mich.

They asked that Congress give consideration to immediate relief for the cities and towns of the United States. They also announced that their program, embodied in a memorial presented to Congress, will also be presented at the White House to President Hoover June 8.

The program, summarized, favors $5,000,000,000 for construction work as an emergency employment relief measure and an additional expenditure of $500,000,000 to be used for the refunding of maturing obligations of the cities, counties, and towns, with a further provision for $300,000,000 for direct aid to the cities, towns, and counties.

The memorial presented to the House leadership for the attention of Congress and to be presented to President Hoover follows in full text:

"I. Preamble: The world and the Nation are at war. The enemy is hunger. We have it on reliable authority that the extent of unemployment in the United States now equals that of all Europe combined—which means all the rest of the industrial world. This has precipitated an emergency unprecedented in modern times. Such a situation calls for the prompt, vigorous, and intelligent measures which war always makes imperative.

"We do not in any sense retreat from the position, fundamental in our democratic system, that in normal times municipal governments must maintain themselves, perform their proper functions, and solve the social and economic problems incident to such normal activity.

"But these are not normal times. It is a crisis, imminent and terrifying. The long period during which unemployment has continued and increased has created conditions of suffering and need nothing less than appalling.

SITUATION IN CITIES REVIEWED

"The cities of the Nation, large and small, have met these conditions with resourcefulness and courage. But all their resources of money and credit are nearing exhaustion. Relief must be found or nation-wide insolvency will result. Tax delinquencies have increased to an alarming extent under the burden of debts incurred as a result of the vast expansion of prosperous years. The interest and sinking charges on these obligations represent a wholly disproportionate burden at the present time due to the greatly increased purchasing power of the dollar.

"Even those municipalities which have instituted the most rigid economies in operation are now in a precarious situation. Not only welfare relief but essential governmental services are now threatened and the very foundations of our social order are imperiled. In the face of this threat against human welfare and human life itself measures must be employed as drastic as those of military authority in times of actual physical warfare.

PROBLEM DECLARED NATIONAL

"The problem is now a national one. The Federal Government is the only agency that represents all the people and is able to deal adequately with the emergency. It has the unlimited credit of the Nation, and by intelligent planning it can provide for the human welfare and security of its citizens.

"The measures we are advocating are entirely consistent with a sound fiscal policy and need not in any way disturb our national credit or stability. Hence the Federal Government is the one remaining source to which we can turn in this emergency, and we

do so with confidence that wise and adequate assistance will not be denied.

"II. Recommendations: We, therefore, mayors, city managers, and representatives of 31 leading cities of the United States, called into conference at Detroit, Mich., June 1, 1932, after careful consideration of the facts set forth in this preamble, submit the following as a remedy in whole or in part for the critical conditions described:

URGE FIVE BILLION LOAN

"1. We recommend that a $5,000,000,000 prosperity loan be made available immediately for national projects to effectuate the employment of millions of men in this manner to provide work for our jobless, redistribute purchasing power, and thereby stimulate industry. We recommend that this be done by Congress declaring war not figuratively but literally against unemployment and depression; and that to this end a work army be mobilized, as armies were mobilized in 1917–18, for work on national projects throughout the United States.

TAX RELIEF PROPOSAL

"2. We recommend the immediate enactment of such relief legislation as may be necessary to conserve the welfare of the American people during the present industrial depression.

"3. We recommend an amendment to the congressional act incorporating the Reconstruction Finance Corporation, or such other legislation as may be finally determined as advisable, to permit such corporation to invest its assets in notes, debentures, bonds, or other faith and credit obligations of cities for public welfare, to provide money for delinquent tax obligations and the refunding of bonds and obligations to release funds necessary to maintain the adequate and proper operation of municipal government.

"4. We recommend that copies of these resolutions be presented to the President and the Congress of the United States and be made available to the press of the Nation."

DECLARED LEFT TO CITIES

Mayor Murphy, as a spokesman, told the Speaker and the other two leaders that the sentiment of the country is back of the memorial, that the conference that put it forward embraced representatives of 31 representative cities.

He said the economic breakdown in the United States left the problem of unemployment up to the cities and towns and it is the great masses of the people in the cities that are affected by the present crisis. The cities, he said, have done everything within their power to help themselves and, in many cases, have exhausted their resources without cooperation of the Federal Government.

"We are not asking indiscriminate aid, but we are asking the direct cooperation of the Federal Government to relieve the distress where the resources of the cities are exhausted," Mr. Murphy said, "and to make the resources of the Reconstruction Finance Corporation available to municipalities wherever neccessary."

URGES CONGRESS TO ACT

He asserted that the municipality, the oldest corporate entity in the country, affords a sound security. He said that when the situation became acute two years ago, Congress should not have adjourned without relief legislation, and having adjourned it should have been called together in special session. The cities ask, he said, that Congress shall not adjourn without doing something to help the cities meet unemployment, tax delinquency, and refunding needs.

"We believe that 8,000,000 unemployed in the Nation must not be allowed to physically and spiritually deteriorate while waiting for solution of the country's problems," he said.

He told of enormous debt problems of the cities, contracted during the period of expansion and now a tremendous load on the cities; of tax delinquencies that began increasing in the cities two years ago and now reaching enormous figures with every prospect of continuing the coming year; of the transition problem in unemployment; the trek to the cities that began long ago; and of the legal limitations which handicap the cities under State laws and their own charters; and of the wider scope of relief opportunity on the part of the Federal Government.

He pointed out the nonpartisan character of the program presented. "The cities are here represented regionally and by every political faith," he said.

Describing the economic situation as "critical and terrifying," the needs of the cities as "appalling," the credit resources of many cities as well-nigh exhausted and tax delinquencies growing, he formally presented the cities' memorial. He said that in many cities the banks could not help the municipalities, and in some cases are not disposed to anyway, and so the cities have been "caught in a trap" in the matter of refunding and other problems. He said the problems are "tragic."

Speaker GARNER, referring to the delegation's $5,000,000,000 proposal, asked how that much money could be used. He mentioned the Garner-Rainey bill's relief plan involving $1,000,000,000 for construction, and said the executive branch of the Government had indicated it could not use economically more than $500,000,000 of that sum during the coming year.

RECONSTRUCTION LOANS URGED

Mr. Murphy said the Speaker's proposal relates to Federal projects and the amount the cities asked could be used by the municipalities. The Speaker agreed that he had referred to Federal projects and said the Reconstruction Finance Corporation loan facilities should be expanded so that corporation can loan to any legal entity on adequate security.

He said that if the Reconstruction Finance Corporation can loan to the Pennsylvania Railroad or any other corporation to meet fixed charges, there is no reason why it should not loan to municipalities. He said he expects the Reconstruction Finance Corporation will be enabled to make loans to cities under a sound policy as to security.

FEDERAL AID DECLARED NEEDED

Mayor Curley said he wished Members of both Houses of Congress could make a trip through the United States and become familiar with the conditions. He said he is not asking financial aid for Boston, which city is in rather a fortunate condition, nor for New York, which, while it has a real problem, is in better condition than many of the cities.

In many cities, particularly away from the Atlantic coast and especially in the West, he said, there is real need for Federal cooperation. He said it is within the power of the Federal Government properly to expend not merely the $5,000,000,000 proposed but many times that amount if necessary.

He cited large and unquestioned expenditures in Holland. He told of improvement projects of considerable magnitude in Germany carried on with American money, and said Italy had been transformed in the past 10 years with American money. He said $2,000,000,000 alone could be expended properly on the Mississippi River and its tributaries in flood-control construction work immediately, with permanent results in decreased erosions, acceleration of stream flow, and development of communications and power and trade, with quicker return of prosperity all through the Mississippi Basin.

WARNS OF COMING WINTER

He denied that only $400,000,000 could be expended irrespective of amounts authorized. He said every steam railroad should be electrified and many other industrial projects could be carried out. He said he was fearful about conditions next winter in many of the cities away from the Atlantic seaboard.

"This is not the first year of the depression," he pointed out. "We are entering upon the fourth year, and I am fearful of the coming winter with 10,000,000 unemployed and millions of others with wages reduced and otherwise affected." Advocating the $300,000,000 for direct Federal aid for the distressed, he said: "We did not hesitate to feed the Belgians and the Russians." He said there never was a more serious problem in the country, but the country is able to meet it.

CONDITIONS IN WEST CITED

Speaker GARNER said Congress has found it necessary to take the lead in a relief program, and he agreed legislation should be enacted to meet the situation.

Mr. Curley criticized banks for refusing to loan money to municipalities, although they had not failed to make loans abroad. He said industrial cities in the West, with revenues depleted, with banks refusing to make advances to the municipalities, have only the Federal Government to turn to. He said the mere announcement the Federal Government proposes to grant the relief asked for would convince every private employer that the tide has turned.

One mayor asked if there is any doubt that 1,000,000 or 2,000,000 men could be put at work at once if there are funds available. The Speaker said he thought it is quite true they could be. He said, however, he could not say just what Congress will do. He said the Garner-Rainey relief bill would put $100,000,000 immediately in the hands of the President to use in any way that seemed necessary, but the President has said he does not want that fund.

WELFARE WORK CITED

Mayor Murphy said what they are concerned with is relief to save the people, and he did not care whether it is called a dole or not. He also pointed out that it has taken a quarter of a century for cities to build up standards of welfare work, such as child welfare institutions and institutions for indigent mothers, and so on, and now that whole welfare fabric is being ripped to pieces in this economic readjustment.

DIRECT RELIEF FUND SOUGHT BY MAYORS—DELEGATION ASKS PRESIDENT TO FAVOR FIVE BILLION LOAN TO PROVIDE WORK

President Hoover's support for legislation by Congress for direct unemployment relief funds for municipalities was urged June 8 by a delegation of mayors and other city representatives headed by Mayor Frank Murphy, of Detroit, Mich., who conferred with him at the White House.

Specifically, the delegates asked President Hoover to favor a $5,000,000,000 prosperity loan to be made immediately available by Congress to provide work for idle men in the cities and municipalities as called for in a resolution which they presented to Congress on June 7. (The resolution was printed in full text in the issue of June 8.)

Mayor Murphy laid the resolution before President Hoover and then outlined the case of the municipalities' unemployment relief problems to him.

FEDERAL AID SOUGHT

"The Federal Government," said Mayor Murphy, after conferring with the President, "ought to play a part in a cooperative plan for direct relief to aid distress and eliminate the lack of uniformity in relief. We appealed to the President for a $5,000,000,000 bond issue. It would be some time before this could go into effect, but it would take up the idle men. Meantime, we need direct relief.

The prolonged idleness of men has created a new social problem which makes direct relief to the States absolutely necessary."

Mayor Murphy stated orally that President Hoover discussed the resolution with them "very frankly." He expressed sympathy with the problem of the States, the mayor added.

"President Hoover," he said, "is in favor of his own program of relief as being the most practical one."

ADEQUATE FUNDS URGED

The President's announced program calls for authorization to the Reconstruction Finance Corporation to loan $300,000,000 to relieve distress, in addition to other provisions.

"That program," said Mayor Murphy, "is inadequate to meet the situation. It ought to be proportioned to the States that need it. It seems superficial to just set up $300,000,000 to go around the country."

Mayor Murphy said that their next move to secure relief would be to confer with Senators and Representatives and probably to memorialize Congress on the subject.

In addition to Mayor Murphy, the delegation embraced Mayor James M. Curley, of Boston, Mass.; Mayor Ray T. Miller, of Cleveland, Ohio; Mayor Daniel W. Hoan, of Milwaukee, Wis.; Mayor William A. Anderson, of Minneapolis, Minn.; A. Miles Pratt, director of finance of New Orleans, La.; and George Welsh, city manager of Grand Rapids, Mich.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin to the amendment of the committee.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Kean	Robinson, Ind.
Austin	Costigan	Kendrick	Schall
Bailey	Davis	King	Sheppard
Bankhead	Dickinson	La Follette	Shortridge
Barbour	Fess	Lewis	Steiwer
Barkley	Frazier	Logan	Stephens
Black	George	McGill	Thomas, Okla.
Blaine	Glenn	McKellar	Townsend
Borah	Goldsborough	McNary	Trammell
Bratton	Gore	Metcalf	Tydings
Brookhart	Hale	Moses	Vandenberg
Broussard	Harrison	Neely	Wagner
Bulkley	Hastings	Norbeck	Walcott
Bulow	Hatfield	Norris	Walsh, Mass.
Byrnes	Hawes	Nye	Walsh, Mont.
Capper	Hayden	Oddie	Watson
Caraway	Hebert	Patterson	White
Carey	Howell	Pittman	
Connally	Johnson	Reed	
Coolidge	Jones	Robinson, Ark.	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

AMELIA EARHART PUTNAM

Mr. REED. Mr. President, the Senate to-day unwittingly did a very great disservice to a very gallant lady. We agreed to the House amendments to the joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam. The House amended the joint resolution to give her the distinguished-service medal. The amendment of the House was, on page 1, line 4, to strike out "flying cross" and insert "service medal," and to amend the title so as to read: "Joint resolution authorizing the President of the United States to present the distinguished-service medal to Amelia Earhart Putnam."

The House made the amendments on the theory that giving her the distinguished-service medal was recommended by the War Department. It was purely an error on the part of the House in misinterpreting the letter from the War Department, and it was purely an error on the part of the Senator from Connecticut [Mr. WALCOTT] and of the Senate in acquiescing in the House amendments.

The facts are that Colonel Lindbergh was given the distinguished-flying cross for his exploit, that the Germans who first flew westward across the Atlantic were given the distinguished-flying cross, that the Frenchmen and Italians who made those gallant flights across the South Atlantic were given the distinguished-flying cross, and nobody meant to discriminate against Mrs. Putnam in that way. She clearly is entitled by her gallantry to the same treatment that was accorded the others.

In the request I am about to make I have the acquiescence of the Senator from Connecticut [Mr. WALCOTT], who introduced the joint resolution. I ask unanimous consent that the vote by which the House amendments were agreed to may be reconsidered.

The PRESIDING OFFICER. Is there objection?

Mr. ROBINSON of Arkansas. Mr. President, may I inquire if the joint resolution is in the possession of the Senate?

The PRESIDING OFFICER. It is. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. REED. I now move that the Senate disagree to the amendments of the House, ask a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. REED, Mr. WALCOTT, and Mr. FLETCHER conferees on the part of the Senate.

FURLOUGH OF GOVERNMENT EMPLOYEES

Mr. COOLIDGE. Mr. President, I send to the desk and ask unanimous consent to have read two telegrams which came to me to-day from Boston and Lawrence, Mass., with reference to furloughs and possible dismissals of customs employees, and a proposed abolishment of the Lawrence port.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Without objection, the telegrams will be read.

The Chief Clerk read as follows:

BOSTON, MASS., *June 22, 1932.*

Hon. MARCUS COOLIDGE,
United States Senate:

Informed customs appropriation cut severely, which means furlough additional to one month in economy bill, with possible dismissals. Customs employees protest this added hardship and urge you to oppose same.

C. FRED LAMB,
President Boston Branch National Customs Service Association.
JOSEPH J. CURRAN,
First National Vice President.

LAWRENCE, MASS., *June 22, 1932.*

Senator MARCUS A. COOLIDGE,
United States Senate:

April 27 we wrote you regarding Lawrence customs port of entry that duty receipts Lawrence exceeded by over $100,000 combined receipts all other Massachusetts ports except Boston. Note to-day's Boston paper proposed abolishment Lawrence port. We urge your immediate cooperation to keep Lawrence port maintained. Local woolen mills ordinarily employing 25,000 affected. Closing Lawrence port will increase Government expenses several thousand dollars. Trucking and handling now being done by local factory employees at no expense to Government. Government expense increased through necessary additional employment of laborers Boston. Lawrence port absolutely essential to local industries. Abolishment local port means greatly added expense and loss of time to local importers.

LAWRENCE CHAMBER OF COMMERCE.

ADJUSTED-COMPENSATION CERTIFICATES

Mr. THOMAS of Oklahoma. Mr. President, before this session closes I feel it my duty to call the attention of the Senate and the country to the parliamentary record made during and just after the vote was had on the so-called bonus bill. This record is found on pages 13274 and 13276 of the RECORD of June 17.

Shortly before the vote was taken, at the close of my address I said:

Mr. President, I shall vote for this bill. At the same time I will keep a close tabulation of the votes and before the result is announced, if my forecast is correct that the bill is to be defeated, I will change my vote from "yea" to "nay." I shall do it for but one purpose, and that is in order that I may enter a motion to reconsider the vote by which the bill fails of passage. Immediately after the vote is announced I will enter a motion to reconsider the bill, in the hope that we may yet secure enough votes to pass the measure.

After the roll was called, and before the result was announced, I addressed the Chair and said:

Mr. THOMAS of Oklahoma (after having voted in the affirmative). Mr. President, I desire to take no chance, and I change my vote from "yea" to "nay," with the idea of entering a motion to reconsider if the opportunity shall present.

The result was announced—yeas 18, nays 62.

Immediately after the vote was announced I addressed the Chair, and the RECORD shows the following:

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. THOMAS of Oklahoma. I rise to enter a motion to reconsider the vote by which the bonus bill just failed of passage.

The VICE PRESIDENT. That motion will be entered.

Immediately thereafter the RECORD shows the following:

Mr. THOMAS of Oklahoma. I enter the motion, which means that I give notice that at some future date the motion will be called up.

The VICE PRESIDENT. The Senator from Oklahoma has a right to enter the motion; but the motion can not be proceeded with, because there is already a motion pending.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Is the notice just given of entrance of a motion at this time acknowledged by the Chair?

The VICE PRESIDENT. Certainly.

With the motion for reconsideration entered, to be called up for consideration at some future date; with such motion entered, received, and acknowledged by the Chair; with the Senator from Arkansas [Mr. ROBINSON] having and holding the floor; having made his motion to "proceed to the consideration of H. R. 12445, being the bill to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation," and so forth; with my motion entered and with the Senator from Arkansas [Mr. ROBINSON] having a motion pending, the Senator from Pennsylvania [Mr. REED] moved immediate reconsideration of the vote by which the bonus bill was defeated. At this point the RECORD shows the following:

Mr. REED. I move to reconsider the vote by which the bonus bill was just defeated.

Mr. THOMAS of Oklahoma. Mr. President, a point of order.

The VICE PRESIDENT. What is the point of order?

Mr. THOMAS of Oklahoma. The point of order is that I myself have given notice that at some future time I would move to reconsider the vote; and that that notice having been received, a motion to reconsider at this time is out of order.

The VICE PRESIDENT. The giving of a notice is not a motion; and under the rule the motion can be made at any time within two days. The Chair holds that the motion of the Senator from Pennsylvania is in order.

So eager were the leaders of the majority to end all misery and definitely kill the bill that in quick succession two motions were made to lay the Reed motion on the table—the first motion by the Senator from Utah [Mr. SMOOT], and, immediately following, an identical motion by the Senator from New Hampshire [Mr. MOSES]. The chair entertained the motion to table made by the Senator from New Hampshire [Mr. MOSES]. The RECORD is as follows:

Mr. MOSES. * * * I move to lay the motion to reconsider on the table.

Following the motion to table, the RECORD shows:

The VICE PRESIDENT. The question is on the motion of the Senator from New Hampshire [Mr. MOSES] to lay the motion of the Senator from Pennsylvania [Mr. REED] on the table.

The result was announced—yeas 44, nays 26.

So the motion to reconsider was laid on the table.

And the bonus bill was dead.

Mr. President and Senators, the Chief Executive vetoed this bill in advance of its passage; then, with a vote of 62 to 18 against the veterans, the administration forces, flushed with victory and mad with power, proceeded to give the hopes of the heroes of other days the coup de grâce.

At the very moment when the Senator from Utah [Mr. SMOOT] was forcing the Senator from Alabama [Mr. BANKHEAD] from the floor; at the same identical time when the Senator from Pennsylvania [Mr. REED], the Senator from Utah [Mr. SMOOT], and the Senator from New Hampshire [Mr. MOSES] were breaking established rules as old as the Senate itself, and during those self-same moments when the Presiding Officer was making new precedents with his unfamiliar rulings, just outside the Senate Chamber and massed across the Capitol Plaza some 20,000 ragged and hungry veterans—some with congressional medals of honor, some with distinguished-service crosses, and many with foreign decorations, but all with heavy hearts and uncovered heads—were singing:

My country, 'tis of thee,
Sweet land of liberty.

History will contrast, appraise, and affix the relative merits of the respective acts of the Senate and the veterans on that historic night.

BRANCH BANKING AND UNIT BANKING

Mr. NORBECK. Mr. President, I ask unanimous consent to have printed in the RECORD an article by C. B. Axford, editor of the American Banker, on the subject of branch banking and unit banking, which article was published in the issue of May 9.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRANCH BANKING NOT AS SAFE AS UNIT BANKING—BRITISH AND UNITED STATES LOSSES COMPARED—A VOTE FOR GLASS BILL STATE-WIDE BRANCHES IS DEATH WARRANT FOR LOCAL BANKS—WHY SUBSTITUTE DISCREDITED FOREIGN SYSTEM FOR 100 PER CENT SAFETY GIVEN BY 20,000 AMERICAN BANKS?

Is unit banking to be doomed?

It is if the Glass bill passes with its present provision giving national banks branches everywhere in every State. Yet the change to branch banking would give the country a poorer system of banking, a dubious survival of the new-era dreams of 1929.

Once officially fostered, branch banking will slowly but inevitably destroy unit banking and the harm can never be undone.

In this belief the editor of the American Banker is carrying a personal campaign from a sick bed to every Member of Congress to have the branch-banking provisions amended out of the Glass Banking Act of 1932.

The first letter to this purpose is printed below. Other telling arguments will follow.

MAY 7, 1932.

HONORED SIR: Within a few weeks, now, as a member of the most representative governing body on earth, you will have the opportunity of signing the death warrant of your home-town banks.

You may not clearly realize it. But if you vote for the Glass Banking Act of 1932, with its degenerative branch-banking provisions, your local banks are doomed.

Are you for or against such a prospect?

You will be told the half truth that branch banking is necessary to make our banking system safer. The dubious examples of Great Britain and Canada, where "there have been no bank failures," will be pointed to as convincing "evidence" that branch banking is safer than unit banking. Heaven help these United States if your good sense does not cause you to smile a little.

We thought new-era economics fell ill in 1929, died in 1930, and were buried forever in 1931.

But enough, unfortunately, still lives of the errors of 1929 to tempt you with the half-truth arguments that branch banking is better for your people.

Half truths indeed!

For will these branch-bank survivors of the era of error tell you the other half of the story of branch banking, the discredited half?

No banks have failed in Great Britain and Canada? What is the crash of the British gold standard but the greatest bank failure of history, in which the unwieldiness of the branch-banking system was a major cause?

BRITISH AND AMERICAN BANK LOSSES COMPARED

No losses in bank failures in Great Britain? What else is the fact that the pound sterling dropped in purchasing power from $4.85 to $3.25 in gold, silver, or wheat, or other commodities almost immediately?

Owners of British bank deposits worth nearly $12,500,000,000 found nearly a third, i. e. $4,000,000,000—we estimate, wiped out over night. With all our losses in this country's bank suspensions, no such figure as this will ever be reached. Of our $56,000,000,000 in deposits, only some $5,000,000,000 has been tied up for liquidation in bank failures and less than a third of this will be seen to be lost when the liquidation of our suspended banks is completed.

A little more than a billion lost to Americans in unit banking or about 4 per cent, while Britishers have lost $4,000,000,000 or about 30 per cent. And the end of the British currency depreciation is not yet.

Meanwhile, millions of Americans in the vast majority of our banks have 100 per cent of their money on deposit, safe, available—theirs when they need it most, and it is worth more to them than ever before in buying power, a genuine reward for their thrift.

Branch banking was inevitably a factor in the breaking of the Bank of England. Mismanagement of British public finances was paralleled by a banking system in which deflation could not be localized as it has been in the United States. The pyramid of centralized banking and finance could only be readjusted by the disaster of currency revaluation.

Why substitute any step toward this discreditable system for the safety of which 20,000 unit banks have given 120,000,000 Americans?

This is the dark side of the "no bank failure in England or Canada" argument.

FRENCH-GERMAN BREAKDOWNS OF BRANCH BANKING

Similar disasters have overtaken the French and German branch-banking systems. Branch banks with more than 200 branches have closed in France, quite exploding the idea over there that branch banking is failure-proof, while other branch systems have had to be helped by the French Government. In Germany the centralized branch-banking system has broken down entirely and

is now almost wholly subsidized by the German Government. (See current April edition of the National Sphere, Washington, D. C., under Failure of Branch Banking in Germany.)

BRANCH BANKING MEANS CENTRALIZATION AND INCREASE OF WALL STREET DOMINANCE

However, the dismal example of the failure of branch banking in the British Empire, France, and Germany is only one of the full truths which should make you hesitate a long time before you attempt to justify the octopus idea to your constituents.

What is to be the effect upon your communities when a lending policy rationed from Wall Street dictates the uses to which the funds saved by your people shall be put?

Make no mistake. This is what the advocates of branch banking were aiming toward in 1926 when they "strengthened" the banking system with the branch-banking privilege for the first time. It is what they are aiming at now.

Do you want your communities starved for credit? Oh, we know that your British and Canadian branch bankers deny that their systems work that way. But they do not tell you that in a section of Alberta the dairymen are using creamery checks for money and that in many parts of Canada, where there is still hope for local expansion, a substantial body of public opinion thinks highly of the unit banking system of the United States.

COUNTRY-BANK MANAGEMENT COMPARES FAVORABLY WITH FINANCIAL CENTERS

After our experiences of 1929–1931 we should have no illusions about city-bank management being safer per se than small-town banking. The hundreds of millions of dollars—the figure for charge-offs for 19 large banks in the last 12 months is $207,310,634—lost by New York City banks alone should serve as evidence that city-bank management has much to learn. Only the fortuitous accident of huge stock-market profits through sale of their shares at boom prices gave these city banks capital resources to stand the losses that they have announced to their shareholders. And hundreds of unfortunate country banks will testify that they lost most heavily, where they could least afford it, in bonds recommended for their vital secondary reserve accounts by their big-city correspondents.

The 18,000 or 19,000 small-town banks of this country which have managed their affairs so well as to ride the storms of the times unshaken are open challenges to the superiority of city-bank management.

Many of the smaller banks that failed are ghastly victims of the investment advices and called loans given them by city banks.

Yet all but a few of these 18,000 or 19,000 good small-town banks are doomed as surely as the branch-banking illusion gains ground.

Inevitably, any further extension of branch banking means an irretrievable step toward putting the key banking resources of your community more at the disposal of the big financial centers and the stock markets. There is no alternative.

How easy and inevitable you will make the administration of your State's banking from Wall Street if you vote to permit national banks to have branches everywhere in every State!

Do you, Mr. Member of Congress, want this?

Your vote on the Glass bill, as long as it contains the present branch-banking provisions, will be the only answer your constituents need.

In the solid faith of 96 years of service to the banking profession that independent banking is better banking.

Faithfully yours,

C. B. AXFORD, *Editor*.

LOANS TO STATES—SYSTEM OF HIGHWAYS

The Senate resumed the consideration of the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, the pending question being on the amendment proposed by Mr. LA FOLLETTE to the amendment reported by the committee.

The PRESIDING OFFICER (Mr. FESS in the chair). The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] to the amendment of the committee.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BROOKHART. Mr. President, in the beginning of the history of the Republican Party it was organized against the institution of slavery. It was organized in the interest of the lowliest of our American people. It was organized upon the same principles of equal rights to all and special privileges to none that had been promulgated by the greatest Democrat of all times, Thomas Jefferson. But, Mr. President, in these days the Republican Party has drifted away from those humane moorings and we find it meeting under the direction of a convention which was controlled in every detail by the great financial interests of the country. Even one citizen who tried to speak on the other side of these questions was excluded from the platform and taken away. I think no convention has ever met in this country so absolutely dominated by the sinister financial influences of the country as was the Republican convention which recently assembled in Chicago.

Mr. President, among the common people of the country who have supported the Republican Party, Republican tickets, and Republican policies have been the farmers of the United States, except possibly the farmers of the Southern States, who at one time followed the institution of slavery. In the recent convention, the crowd of Wall Street politicians, headed and dominated by Ogden Mills, entirely disregarded the rights of the farmers of the United States. That convention ran away from the Republican platform of four years ago. I think that is probably true of many other questions, but certainly it is true of the agricultural question. Agriculture was kicked out of the back door and told to go hence for its relief and for its rights. Mr. President, I find this remarkable statement in the Republican platform adopted at Chicago:

> The people themselves, by their own courage, their own patient and resolute effort in the readjustments of their own affairs, can and will work out the cure. It is our task as a party, by leadership and a wise determination of policy, to assist that recovery.

For the first time in the history of the great Republican Party it does not assert its confidence in its ability to handle the situation and restore prosperity. For the first time in its history it throws up the sponge and says:

> The people themselves, by their own patient and resolute effort in the readjustments of their own affairs, can and will work out the cure.

So the people themselves must find the cure, if there be one, for this depression.

It is my purpose to-night to discuss the agricultural plank in the platform and to make plain to the Senate and to the country that, so far as agriculture is concerned, the convention said to them, "You must work out your own salvation; there is no help to come to agriculture from the Republican Party."

Mr. President, that brings up the question of finding the proper place of agriculture in reference to the existing depression. What is its part and what has caused agriculture to become depressed, and what has caused the other industries of the country to fall into depression?

Mr. President, as a usual thing we read that this depression was caused by the World War. That is a convenient statement to make when one is seeking an alibi for the things the big financial crowd in this country have done to produce this depression. I have said and I say again that the World War did not cause this depression. Again, I want to submit a few facts in support of that conclusion.

At the beginning of the war we were a debtor nation; we owed other peoples five or six billions of dollars. In a little while, out of war profits, we paid all those debts. Finally, after realizing other enormous war profits, we ourselves entered the war. Our Government then taxed war profits and was able to lend some $11,000,000,000 to foreign peoples and to foreign countries out of taxes levied on war profits. Then private parties, private institutions, collected enormous war profits, greater than those collected by the Government. They also were able to lend enormous sums to foreign peoples and foreign countries and to invest other enormous sums in foreign countries. The chairman of the Committee on Finance, the senior Senator from Utah [Mr. SMOOT], informed me that the total of those loans and investments is something like $45,000,000,000.

Mr. President, I am willing to concede that these vast loans and vast investments abroad, in countries that probably can not or will not repay them, are a part of the cause of this depression, but in 1922 our national wealth was $320,000,000,000. Those loans, while they are vast in amount, would not of themselves have caused the depression in the United States.

Those loans and investments represented financial operations apart from the war, and were not necessarily made

because of the war. They were made because of the financial policy of the ruling financial forces of our country. Therefore, in so far as they helped to cause the depression, its cause was financial and not due to the war itself.

However, Mr. President, there were other causes particularly that produced the agricultural depression; the making of these loans had nothing whatever to do with the beginning of the agricultural depression. We have got to look entirely for local causes in our country, and those causes, as I have said, were due to laws, mainly those enacted by the Congress of the United States and to some extent those enacted by certain States. Briefly to-night, as a prelude to the expression of my idea and of my efforts to picture the situation, I will mention those laws.

The transportation act of 1920 was the first. That act caused an increase in railroad rates upon farm products of about 60 per cent over the pre-war level. That put a burden, of course, upon agriculture, and was the cause of the beginning of the agricultural depression.

Then the next set of laws that oppressed agriculture were the banking laws, both State and National, which in their operation gave interest rates to gamblers in Wall Street as low as 1 per cent or 2 per cent or 3 per cent, while agriculture was charged from 6 to 12 per cent in the various States of the Union. This banking system by its operation discriminated so heavily against agriculture in the matter of excess interest charges that it contributed somewhat to the agricultural depression. But the greatest of the causes of agricultural depression from the operation of the banking system was the deflation policy of the Federal Reserve Board in 1920.

I have so many times given the details that I will not repeat them to-night, but I will restate the result of that deflation policy as stated by the Manufacturers Record, whose estimate is not far different from that of the Agricultural Department itself. The policy which was then pursued deflated agriculture in 1920 and 1921 in the sum of $32,000,000, about $18,000,000 being upon land values and the other $14,000,000 on the two crops of 1920 and 1921; and, Mr. President, agriculture went down in depression as a result of that blow. The total value of agricultural property at that time was about $79,000,000,000, and $32,000,000,000 of it was stricken down all at once. There never was such a panic in farm prices in all the history of agriculture as we had late in 1920 and throughout 1921; and agriculture has stayed down in depression ever since; there has been no substantial revival.

Those engaged in agriculture constitute a third of the buying power of the people of this country; and a third of the buying power of the whole country can not be stricken down for a long period of years, continuing as in this case since 1920, without bringing on a general depression. This striking down of agriculture then, added to the vast loans which have since become uncollectible, even the interest not being paid on most of them, finally brought the rest of the country to depression.

However, before that happened, in 1922 there was a general revival of other business, but not of agriculture. Other business went into an enormous inflation, it being in 1929 the greatest in the history of the world. Then, on the 24th of October of that year the bubble burst, the great stock-watering scheme of the big corporations whose stock is listed on the stock exchange in New York collapsed; and, so interrelated are all the industries of the country, that the bursting of that inflation injured every other business, and agriculture, already down, was injured certainly more than any other business in the country.

I have here a chart showing the declines of movements among wholesale prices during the current recession since 1929. On this chart, all other than farm products and foods declined from an assumed basis of 100 down to about 75; but agriculture, farm products as a whole, declined to about 47. So the panic of 1929 had a greater effect upon agriculture than upon any other line of business; and that was another discrimination against agriculture. I have not mentioned the discrimination in the deflation of 1920 and 1921. The Manufacturers Record said that agriculture was deflated $32,000,000,000, and other business about $18,000,000,000 more, making a total of fifty billions.

Mr. President, at that time agriculture was about one-fourth of American business—it is now about one-seventh, since the deflation—and other business was about three-fourths. So, under the estimate of the Manufacturers Record, the deflation of other business, eighteen billions on three-fourths, as against thirty-two billions on one-fourth, being agriculture, that means, if you figure it out, that agriculture was deflated about six times as much in proportion as the other business of the country.

But, Mr. President, other business was not evenly deflated, because, as I have shown so often, the big business of the country was informed as to the coming of this deflation policy and went out and gathered up the surplus credit of the country and protected itself largely against the deflation; so that most of that $18,000,000,000 of business deflation fell upon the little business of the country rather than the big business of the country.

So think of that discrimination against agriculture in 1920 and then think of these figures, this chart that I have just given you, showing a further heavy discrimination as against agriculture when the panic of 1929 occurred.

I think the tariff laws have contributed to the agricultural depression in a general way, because under the tariff law the protected industry fixes the price of its product at its factory without foreign competition. Agriculture, however, is on a different basis. We shall soon see, in reviewing the Republican platform, that agricultural tariff rates are not effective because of the agricultural surplus that is sold in foreign markets and is not financed so that it can be removed and separated and segregated from the domestic market.

Every other business, when it has an exportable surplus, is financed. Every other business will separate that surplus out, and will not offer it for sale even in the domestic market at all. It will ship it abroad to the best world market it can find, and get the best price it can, usually lower than the price charged the people at home for the same product. But agriculture, not being financed, is not able to separate its surplus from the domestic market. Therefore, it is forced to sell it in the domestic market, and thereby it floods the domestic market by the amount of that surplus; and it is that flood that breaks down the tariff protection.

So the farmer is forced to buy in the high level of the protected American market the manufactured products that he needs, and then is forced to sell his own products on the low level of the world at the price fixed by the sale of his little surplus. That surplus is only about 10 per cent, on an average. It is about 50 per cent of cotton, about 20 per cent of wheat, less than 1 per cent of corn, less than 1 per cent of oats, and only 7 or 8 per cent of livestock products. These little percentages, Mr. President, are fixing the farmer's whole price, and they are sold in the free-trade market of the world. That adds to the agricultural depression. It adds heavily.

Then the patent laws and the corporation laws, which I will not discuss in detail, contribute their share to holding agriculture in economic slavery.

Mr. President, there is one other idea in reference to this depression that is new.

We have had eight major depressions in the last 50 years. I had the chart of that on the wall of the Senate Chamber not long ago. It was prepared by Colonel Ayres, of the Cleveland Trust Co., the most famous and efficient statistician of our time. In all of those depressions up to 1920, in all six that preceded 1920, agriculture came out first and best; and why was that?

Most of the agricultural lands had been obtained by the farmers of the western country, where most of it is located, at $1.25 an acre. Railroads got vast tracts, 158,000,000 acres—four and a half States as big as my State of Iowa, for that matter—for nothing, and then they sold it for from five to ten dollars an acre to the farmers of the country.

From these low prices land advanced steadily year after year. This advancing value of land kept the buying power of agriculture intact. When a panic came along agriculture could still buy. Agriculture had credit. Its credit was not destroyed. Agriculture, being in that condition, revived first and gradually pulled other business out of these depressions.

Prior to 1920 land values advanced more rapidly than in any like period, and then halted when the deflation of 1920 was put on; and since that date land values have been declining, and are still declining to-day.

During the past year the decline of land values has been greater than in any year of this agricultural depression—because I draw a distinction between the beginning of the agricultural depression and the general depression in the country. These things have broken down the buying power of agriculture, and have almost entirely destroyed its credit; and agriculture, therefore, is not helping to extricate us from this depression. So we go down deeper and deeper.

When Colonel Ayres was on the witness stand before the Banking and Currency Committee, I pointed out this situation to him from his own chart. Through that chart he had drawn a line representing the normal level of business. When business was in boom, the tracing line rose above this center line of normal level, and when business was in depression the tracing line fell below this normal level. I asked Colonel Ayres to tell what portion of that 50 years we had been on his normal line, the normal level of business. He seemed to be stumped by that question and hesitated in his answer. Then I answered it for him, and I said I had measured along that line myself, trying to figure out what portion of this 50 years was normal, and I had not been able to find 30 minutes in the whole 50 years. He said that was about right; that we had either been climbing up into inflation all the time or dropping down into depression. I then asked him if we had yet reached the bottom of the present depression, which he described as the greatest of all, and he said we were not yet at the bottom. I asked him how long it would take to get out of this after we had reached bottom, and he said, following the history of all depressions, it would certainly take longer to get out than it did to get in.

So, Mr. President, that is the sentence of big business that enacted this railroad law, that put $7,000,000,000 of water into railroad values as a basis of levying rates, raised farmers' rates by 60 per cent, enacted and controlled the Federal reserve administration, deflated the farmers of this country in the sum of $32,000,000,000, controlled this tariff system, controlled the patent system, and controlled the corporation laws of the country, which has brought about these various discriminations, and plunged agriculture down into the present condition, and thereby pulled other business down into this depression. When agriculture went down, and was no longer able to buy, that stopped many of the wheels of industry. That discharged men by the thousands and finally by the millions. As these men were discharged, that reduced and destroyed their buying power, and that stopped other orders into other industries and caused other unemployment, until now nine or ten million or perhaps more are unemployed and many more are working on part time. That is what has happened in this great country, which had an income for furnishing just the necessities of life without a business boom last year of over $60,000,000,000, while in 1930 it was about $71,000,000,000, and in the boom year of 1929 it was about $90,000,000,000.

Mr. President, that indicates that our economic system has broken down—broken down in the hands of the very powers that control and direct it. It is the great financial forces of this country that managed and produced all of these results. The first bad management was those vast loans abroad; and then the other bad management was the giving of these special privileges to various industries in our country.

I must complete this picture by repeating the fact of our national production in the United States.

All our labor, all our capital, all increase in property value and everything else, when we take the long series of years and rub out these ups and downs of business and get an average along that normal level line, amounts to a wealth increase of a little less than 4 per cent a year. That is all there is in this American pool of production, and that is all there ever has been. You can go clear back to the Declaration of Independence and begin at that date, and our wealth, including the value of all new territory, all new cities, all new improvements, everything, has increased at the rate of a little less than 4 per cent a year; and I suspect that if we should bring it up to date, on present depreciated values, it would drop considerably below 4 per cent. From 1912 to 1928 it was at the rate of about 4¼ per cent. I am sure if we bring it up to date, it will fall still below the general 4 per cent average which the country has had throughout its history.

Mr. President, if 4 per cent is all there is in this American pool production and if we turn the railroads loose to fight for 5¼ per cent upon their block of capital and that capital inflated by some $7,000,000,000 of water, making their return, as commanded by the law, more than 9 per cent upon their bonded value, and if we turn other corporations loose to fight for 10 per cent, 40 per cent, 100 per cent, sometimes even a thousand per cent, when there is only 4 per cent for distribution among them, and if we give it all to capital, we make our normal state one of economic welfare

Under that condition, of course, a few of the big combinations win and many smaller ones go down to defeat and disaster. The result of all that has been that, according to Senator Pepper, former distinguished Member of the Senate, 92 per cent of American business ultimately fails, and that is in ordinary times, that is average times, and I think before we get out of this depression that percentage will be considerably increased. Other experts have estimated it higher than Senator Pepper did.

Mr. President, there is something wrong about the economic system that results in a thing like that. There is something different now in this present depression from the other depressions, because of the different situation in relation to agriculture toward this depression. Big businesses, fighting and winning these big profits, some of them, have caused this depression, and sentenced us to go down deeper into the depression and to stay longer before we come back to what we call prosperity.

Under that situation I think everything that has been said by the Senator from Wisconsin in support of his amendment, about the adequacy of any measures which will really bring relief and lift us out of this depression, is certainly well supported and well founded.

I find only this defect in the proposition as presented by the Senator from Wisconsin. He has not given that special attention to agriculture which it deserves. Everything he has said for labor and for unemployment is supported entirely and throughout, but agriculture was the first down in this depression. Agriculture is the basic industry of this country, and has been throughout the history of the country, and as long as one-third of the American people are dependent directly upon it, and perhaps 45 per cent of them depend indirectly for their living and property return on it, agriculture must remain the basic industry of this country. There can be no prosperity without a proper consideration of the rights of agriculture.

Therefore, I think that I am going to suggest an amendment to the amendment of the Senator from Wisconsin, if it be adopted, that at least $1,000,000,000 be set aside to handle the agricultural surplus; and as I go along, I think I will be able to show that that will be sufficient for that purpose, and that that will at once restore agricultural prices and restore agricultural buying power and agricultural credit, and furnish the first solid foundation for a return to prosperity. If those things result, they will give a considerable number of unemployed labor, and then the funds suggested by the Senator from Wisconsin, if they are used as he suggests, will, I think, employ the rest of the unemployed labor in this country; and until that is done there will be no return of prosperity, and even the calculation of Colonel Ayres will fail unless this relief is given to agriculture, and we will not recover even as speedily as he

expects, because of the different situation of agriculture in this depression compared to the other depressions that have gone before it.

Mr. President, there is one other thing necessary, I think, to cure this depression. We have $203,000,000,000 of debts, public and private, in the United States, about $40,000,000,000 public debts, and the other $163,000,000,000 private debts of various kinds, $203,000,000,000 of debts in all. Probably our entire wealth value in the country is not much over $300,000,000,000 at this time. It was $360,000,000,000 in 1928, and I have an idea the depreciation is probably more even than $60,000,000,000.

That means that two-thirds of the national wealth of this country is covered by the debts. I want to ask how those debts can be met under the present gold standard of money value, under the present level of commodity prices, as shown by my chart here. It can not be done and expect the big special-privilege corporations, which are able by their special economic power and by the special favor of laws to protect their profits, not to discharge their men, and we will have a general state of bankruptcy on the present dollar level. It takes about two and a half times as much of agricultural products to pay the debt which the farmers contracted two or three years ago and it takes about twice as much of any other product in the United States to pay such debts.

Therefore, Mr. President, the money standard is out of joint with the price levels of the country, and in order to complete recovery and make it sound with reference to this depression the money standard must be stabilized, as is usually said, or revived, so that the debtor can pay his debts in the same level of prices in which they were contracted, and the dollar which will not do that is not an honest dollar.

Mr. President, it is not my purpose to discuss the money question in detail. It is my purpose to present this general picture of the situation, of the importance of agriculture in it, and then to see what has been promised by the Republican party to give to agriculture the support necessary to end this depression.

I go to the platform, published in the New York Times, and I do not doubt its correctness. The plank is as follows:

> Farm distress in America has its root in the enormous expansion of agricultural production during the war, the deflation of 1919–20, and the dislocation of markets after the war.

Mr. President, I want to take up that statement and show how completely incompetent or ignorant the writers of this platform were. There was, in the first place, no enormous expansion of agricultural production during the war. There was some expansion, but it was not enormous. It was scarcely more than the increase of population.

Next it refers to the deflation of 1919. There was no deflation in 1919. In 1919 there was continued inflation, and in most of 1920 there was continued inflation. The deflation started only late in 1920. The Federal Reserve Board deflation meeting was held on May 18, 1920, but a part of its proceedings were sealed up in secrecy and passed over to the fall of the year, until October.

I desire to present some of the facts to show what this agricultural increase in production was. I think it is important that we have a picture in the RECORD, so that we can reason correctly upon this proposition. Most of the conclusions I find are wild and far afield from the actual facts themselves.

First, I will take wheat. In 1913 the total wheat production in the United States was 763,000,000 bushels. I leave off the odd thousands. In 1914 the total wheat production—and this all occurred before the war began—was 891,000,000 bushels. That is almost 900,000,000 bushels. During the war it increased, in 1915 to 1,025,000,000 bushels. Then it dropped back in 1916 to 636,000,000 bushels, considerably lower than it was before the war began, and in 1917 it was still 636,000,000 bushels. In 1918 it rose to 921,000,000 bushels.

Nobody can say, as the Republican platform said, that that was an enormous expansion of wheat production. On the whole, it was a slight decline, when we figure the two smaller years.

Mr. President, next we will take corn. I am quoting this from the Agricultural Yearbook of 1932. In 1912 the production of corn was 3,124,000,000 bushels. I want that figure in to show that the production of corn was greater in 1912, before the war began, than in any year since. In 1913 it was 2,446,000,000, and in 1914 it was 2,672,000,000.

During the war it rose, in 1915 to 2,994,000,000, still below 1912; in 1916 it was 2,566,000,000, below 1914; in 1917 it was 3,065,000,000, still below 1912; and in 1918 it was 2,502,000,000.

Therefore, Mr. President, the production of the greatest of the agricultural crops, corn, did not, as this Republican platform says, enormously expand. In fact, averaging the whole thing during the war, it declined. Then in 1930 it was reduced down to $2,060,000,000 and in 1931 it increased to $2,556,000,000.

I believe I did not give the wheat figures for 1930 and 1931. To complete the figures I want to give those. Wheat production in 1930 was 858,000,000 bushels and in 1931 it was 892,000,000 bushels.

Mr. President, next I will take cotton. In 1913 the total cotton production was 14,156,000 bales. In 1914 it was 16,135,000 bales. During the war period, in 1915, it was only 11,000,000 bales; in 1917, 11,000,000 bales; and in 1918, only 12,000,000 bales. So instead of cotton enormously increasing during the war it considerably declined in production. To complete that picture, in 1930 the production of cotton was 13,932,000 bales and in 1931 it increased to 16,918,000 bales.

Mr. President, bear in mind that these increases, where they show in any agricultural production, are far less than the increase in population of the United States. There has been at no time, not even during the war, an increase in agricultural production that would keep pace or any more than keep pace with the increase in population of the country.

Now let us take cattle. In 1913 there were 55,833,000 head of cattle on all the farms and in 1914 there were 58,737,000. During the war they increased, in 1915 to 62,000,000, in 1916 to 66,000,000, in 1917 to 69,000,000, and in 1918 to 71,000,000. There was a substantial increase in the number of cattle but not much more there than the increase in population might warrant. In 1930 they dropped back to 59,730,000 and in 1931 to 60,915,000.

Mr. President, I want to emphasize at every step the fallacy of this claim of enormous expansion in agricultural production in the United States either during the war or since the war.

Next, we will take hogs. In 1913 the total number of hogs on the farms was 54,000,000; in 1914, 51,000,000; in 1915, during the war, it increased to 57,000,000; in 1916 to 59,000,000; in 1917 dropped back to 56,000,000; and in 1918 increased to 61,000,000. In 1930 they dropped back to 55,301,000, and in 1931 to 54,374,000, almost back to the 1913 basis.

Mr. President, I have reviewed the principal staple farm products of the country. There are many minor products, of course, but the figures do not run much different from the big staple products. I shall not burden the RECORD by putting in all the details, but these are all of very great importance.

Let us now again read the Republican platform:

> Farm distress in America has its root in enormous expansion of agricultural production during the war, the deflation of 1919–20, and the dislocation of markets after the war.

The first trouble with the makers of the Republican platform is that they had some Wall Streeter making the platform who knew nothing about the agricultural problem. I think I know that his name was Ogden Mills. When he came before the Committee on Banking and Currency, he gave them a picture very much like this platform. I told him then that he ought to go to night school and learn something about the agricultural problem.

Then the platform continues:

There followed, under Republican administration, a long record of legislation in aid of the cooperative organization of farmers and in providing farm credit.

Let me see what that was. The War Finance Corporation was the first institution that appeared for relief of agriculture in our legislation. That corporation was organized and had plenty of money and plenty of resources to have really relieved the agricultural depression. Two billion dollars was provided, but Mr. Eugene Meyer was put in charge of the administration of that institution for the relief of agriculture. He had had 20 years' experience as a gambler on the New York Stock Exchange and that qualified him well for the public service. While he had $2,000,000,000 at his disposal, the most he ever used or ever put out to relieve the $32,000,000,000 depression that hit agriculture in 1920 and 1921 was $187,000,000.

Instead of relieving agriculture he adopted a restrictive policy which actually injured agriculture. He picked out in the West a few of the big ranches and big leaders out there and made loans to them. He bragged that he made some $25,000,000 of loans in my State of Iowa. Of course, $25,000,000 sounds big, but in that State even with starvation prices we produced $600,000,000 each year in agricultural products of all kinds. So it was only a drop in the bucket to meet the situation, and then with his $25,000,000 he skimmed off all of their best securities in the State, and as the loans came due the banks were required to pay them and started us on the road to failure, which followed with so many of our banks.

That was the first of financial aids that came along for the benefit of agriculture. Then the Federal land bank was established. I am quite sure that the general purpose in establishing the Federal land bank was good. The intention was really to help agriculture, but his success in managing the War Finance Corporation qualified the same Eugene Meyer to be placed at the head of the Federal land banks of the United States.

The result has been, although the farmers need some $9,000,000,000 of loans and more than half of this ought to be furnished by the Federal land bank and joint-stock land bank combined, yet only about $1,700,000,000 has been furnished. The same policy of restriction was pursued in that case as in the other. If I had the time and were disposed to do so, I could give details over and over of how they prevented the functioning of the Federal land banks.

For instance, one loan association out in my State that had a record of 11 years on the honor roll, never missing a payment of interest on any loan for one day, let alone having a default or a foreclosure, made 26 applications for new loans. This magnificent body of farmers were jointly liable on all of the loans. Out of the 26 applications they secured only 1 loan. How was that prevented? If a farmer wanted $12,000, word came back that they could only loan him $10,500. The appraisement showed that this value would not warrant the full $12,000. If he wanted $12,000, he could not get along with $10,500; and that sent him to the mortgage company, where he had to pay a higher rate of interest and take a shorter-term loan. The loan associations were angry at the appraisers and figured the appraisers had not given them a square deal. Finally some one sent them out a list of the appraisements, and it showed that every appraisement was all right and that every one of the loans had been cut down in the office over in Omaha. The same Eugene Meyer policy that he has been following in the Reconstruction Finance Corporation in the matter of loans to the banks of the country was applied there. We can see his earmarks everywhere he appears in the control of financial institutions.

What came next in this economic legislative program for the benefit of the farmer? There was the intermediate credit bank. That is a farmer's reserve bank for shorter loans. That in the hands of Eugene Meyer, with $660,000,000 available, never got above $200,000,000 in functioning or in use in the country, in this country which at starvation prices produces $12,000,000,000 of agricultural products.

The platform continues:

The position of agriculture was gradually improved.

I think if we could find any improvement it would take a tolerably high-powered microscope to measure it.

In 1928 the Republican Party pledged further measures in aid of agriculture, principally tariff protection for agricultural products and the creation of a Federal Farm Board "clothed with the necessary power to promote the establishment of a farm-marketing system of farmer-owned and controlled stabilization corporations."

Almost the first official act of President Hoover was the calling of the special session of Congress to redeem these party pledges. They have been redeemed.

I want to contradict that last statement entirely. Not one of those pledges has been redeemed in any substantial part. Instead of redeeming the pledges, they have hit agriculture and driven it deeper and deeper into depression every year as the years roll by.

The platform continues:

The 1930 tariff act increased the rates on agricultural products by 30 per cent, upon industrial products only 12 per cent. That act equalized, so far as legislation can do so, the protection afforded the farmer with the protection afforded industry and presented a vast flood of cheap wool, grain, livestock, dairy, and other products from entering the American market.

Mr. President, an honest platform could not have stopped with any such statement as that. If they had wanted the platform honestly to let the farmers know what the tariff had done for them, it would have said, "Yes; we increased your rates, but not one of those increases is effective on any of your exportable surplus. Not one of them has protected the price of the big staple farm products."

Let us take wheat. They mention grain as being protected by these rates. Here was the situation as to grain in 1929. Wheat that year sold 15 to 20 cents a bushel higher at Winnipeg than it did at Minneapolis. I know a man at Humboldt, Iowa, cashier of the national bank there, who has a farm at Portal, N. Dak. Portal is on the Canadian line. In 1928 when he harvested his wheat crop he hauled it across the street and sold it in North Portal, which is in Canada. At that time he paid 12 cents a bushel tariff duty, but since then Canada has raised her tariff rate to 42 cents in order to be neighborly and to match our rate. He also paid a dollar a load entrance fee; and after paying that and paying the tariff duty he had left 9 cents per bushel more than he was offered for the same wheat on the same day on his own side of the street. That is what happened to the wheat crop in 1929.

Then some time in 1930 the Farm Board began its operations. They make the claim, Mr. President, that they raised the price of wheat in the United States about 15 cents a bushel above the world price level. Perhaps that is true as the world price level stands, but the Farm Board had another policy that perhaps did the world price more damage than it did the domestic price good. It bought up a considerable surplus, bought it just like a gambler; it did not buy it to hold it for a cost-of-production price or anything of that kind, nor at a cost-of-production price; but it went into the board of trade and bought wheat as any other speculator or gambler would buy it, and then held that surplus constantly as a menace over the world market.

The bidder in the world market did not know but that on the next day that wheat would be dumped into the world market, and every time he undertook a purchase he pointed his finger at the American surplus and beat the world market down. So, Mr. President, it is probable, I think, though there can be no exact determination of that question, that this policy of the Farm Board first reduced the world market as much as or more than it increased the domestic market. Therefore, altogether, the operation of the tariff law and of the Farm Board has been to the detriment of agriculture and not to its advantage.

Then, again, the recent Republican platform says:

By the agricultural marketing act the Federal Farm Board was created and armed with broad powers and ample funds.

"Ample funds!" Mr. President, if the preamble in that act only used the words and the terms that have been

quoted in this platform, the funds might have been more nearly ample, but the platform makers have deleted reference to the most important item in the whole farm marketing act—the exportable surplus. The surplus is not mentioned; it is deleted and cut out here in some three different places. So it is apparent that the Republican platform has abandoned the main purpose of the farm marketing act which was to control the exportable surplus.

The sum of $500,000,000 was given the Farm Board. The exportable surplus, one of the things mentioned three different times in the preamble of the act, amounts to about eighteen hundred or two thousand million dollars in the form in which it is exported. It will probably amount to about twelve hundred million dollars as it leaves the farm; and, Mr. President, $500,000,000 is not an "ample fund" to handle an exportable surplus such as that. Perhaps we shall hear more of that proposition as we go along.

Now, here is a part of the preamble quoted by this magical platform:

To promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that—

Then comes a deletion—

agriculture will be placed on the basis of economic equality with other industries.

And then comes another deletion—

by encouraging the organization of producers into effective association for their own control, * * * and by promoting the establishment of a farm-marketing system of producer-owned and producer-controlled cooperative associations.

Mr. President, I have here a copy of the farm marketing act, and in its preamble the surplus is mentioned three times. I quote from the preamble of the act:

(4) By aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from causing undue and excessive fluctuations or depressions in prices for the commodity.

Then—

(b) There shall be considered as a surplus for the purposes of this act any seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly distribution of the agricultural commodity or is in excess of the domestic requirements for such commodity.

Mr. President, the one great purpose of the marketing act was the control of the exportable surplus. Yet in the Republican platform reference to the exportable surplus was entirely deleted. There can be no relief for agriculture unless the exportable surplus is controlled.

How can it be controlled? The platform of 1928 said that there should be set up a proper organization with authority and funds to control the surplus. Who is it who taught us how to handle the surplus? Well, Mr. President, we learned about it from Herbert Hoover. In 1917 he first told us how to handle the exportable surplus and how to do it successfully.

On the 17th day of July, 1917, he wrote a letter to President Wilson in which he said:

JULY 10, 1917.

DEAR MR. PRESIDENT: In response to your request I send you herewith the following notes compiled by myself and my associates upon the present situation with regard to wheat.

1. The 1917 harvest promises to yield 678,000,000 bushels. The normal internal consumption and seed requirement (assuming a carry-over of same volume in 1918 as in 1917), amounts to about 600,000,000 bushels; thus leaving a theoretical export balance of 78,000,000 bushels. The conservation measures are already having a marked effect and it is not too much to hope that the national saving may be 80,000,000 to 100,000,000 bushels, and therefore the export balance increased to, say 158,000,000 to 180,000,000 bushels.

2. The experience this year in the rampant speculation, extortionate profits, and the prospect of even narrower supplies than 1917 harvest and carry-over, must cause the deepest anxiety. No better proof of the hardship worked upon our people during the past year needs be deducted than the recitation of the fact that the producer received an average of $1.51 per bushel for the 1916 wheat harvest, yet wheat has been as high as $3.25 at Chicago and the price of flour has been from time to time based upon this speculative price of wheat, so that through one evil cause or another, the consumer has suffered from 50 to 100 per cent, and the producer gained nothing.

After much study and investigation, it is evident that this unbearable increase in margin between producer and consumer is due not only to rank speculation, but more largely than this to the wide margin of profit naturally demanded by every link in the chain to insure them from the great hazards of trade in the widely fluctuating and dangerous price situation during the year when all normal stabilization has been lost through the interruption of world trade and war. All these factors render it vitally necessary to initiate systematic measures which will absolutely eliminate all possibility of speculation, cure extortionate profits, effect proper distribution and restriction on exports to a point within our own protection. These measures can not be accomplished by punitive prosecution of evildoers, but only by proper and anticipatory organization and regulation all along the distribution chain.

3. During recent months the allied governments have consolidated their buying into one hand in order that they might relieve the burden of speculation from their own consumers, and the export price, if not controlled, is subject to the will of the allied buyer, and in a great measure the American producer is left to his judgment and without voice. Furthermore, in normal circumstances United States and Canadian wheat is moved to Europe largely in the fall months, such shipments averaging about 40,000,000 bushels per month and relieving a corresponding flow from the farms into the interior terminals. This year, owing to the shortage of shipping, the allied supplies must proceed over a large period of the year and will not during the fall months apparently average over 20,000,000 to 25,000,000 bushels per month. We must therefore, expect a glut in our interior terminals during a considerable period. The financial resources of the grain trade are probably insufficient to carry this extra load without the help of speculators, and, moreover, the consolidation of practically all foreign buying in the hands of the allied buyer has further tended to diminish the capital resources available by placing a number of firms out of business and limits the financial capital available in export trade. The net result of this situation is that unless some strong and efficient Government action is immediately settled and brought into play the American producer will face a slump in wheat. In any event, the price of export wheat will be dictated by a single agency. The American consumer will be faced with a large part of the essential breadstuff having passed into the hands of speculators, for some one must buy and hold not only the normal flow from the farmer but this probable glut.

4. With great reduction in the consumption of wheat bread now fortunately in progress, the employment of our mills must be greatly diminished, and with the reduction of domestic-flour production our daily feed from wheat residues will be greatly curtailed. Therefore we must induce foreign buyers to accept flour instead of wheat.

5. In order to do justice to the producers, who have shown great patriotism in a special effort to increase production in 1917 and to further stimulate the efforts of 1918, it is absolutely vital that we shall protect the farmer from slump in price this year due to glut as above or from the uncontrolled decisions of any one buyer. I am informed that most of the allied countries have fixed the price of wheat to the farmer at $1.80 per bushel, and many of them believe that as Allies it is our duty to furnish wheat at a price which, delivered to them, will not exceed their domestic price—in other words, about $1.50 per bushel Chicago. Neither the responsible officials nor I hold this view, because I consider the stimulation to production, if no other reason, is in the long run in the interest of the Allies. There is, however, a limit to price which so trespasses upon the rights of the consumer as to defeat its own object through strikes, raises in wages, and social disturbances in the country. It is with the view to finding a solution to those problems, filled with the greatest dangers to both our producers and consumers, that legislation has been proposed and pressed for speedy enactment.

I should like to see some legislation proposed and speedily enacted now like this was in 1917.

6. The proposed Food Administration has conferred with many hundred patriotic men engaged in production and distribution and has investigated the condition of the consumers in many centers as well. Many plans have been tentatively put forward and abandoned and others have been developed, but in any case none has nor can be settled until legislation has been completed. Three facts stand out plainly enough from our investigations: First, that in this situation the farmer will need protection as to the price of wheat; second, that large masses of people in the consuming centers are being actually undernourished to-day due to the exorbitant cost of living, and these conditions, unless some remedy be found, are likely to repeat themselves in even more vicious forms at this time next year; and third, the speculator, legitimate or vicious, has taken a large part of the money now being paid by the consumer.

Mr. President, that describes the exact situation at the present time; and the present time is a good deal worse than that time was—much worse for agriculture—and the emergency so far as agriculture is concerned is much deeper.

Now, Mr. President, I will read only one more sentence, and then ask that the rest of this letter be inserted in the RECORD:

Or the Government must buy the surplus wheat at some reasonable minimum price, allowing the normal domestic trade of the country to proceed with proper safeguards against speculation.

It was in that way, Mr. President, away back in 1917, that Mr. Hoover laid down for us the proper method of handling an exportable surplus in the interest of the farmers of the United States and for the protection of the consumers in the United States as well.

I ask to have the remainder of this letter inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

7. It seems to be overlooked in some quarters that the marketing of this year's wheat is surrounded with circumstances new to history and that the old distributing safeguards are torn away by isolation from the reciprocal markets abroad and the extinction of a free export market and free export transportation. The harvest has begun to move, and from these very causes the price of wheat has begun to drop, and if the farmer is to sell his wheat, either the speculator must return to the market to buy and carry not only the normal flow from the farmer in excess of domestic and foreign requirements but also the glut due to the restriction upon the outlet to the latter, and he must charge his toll to the producer and the consumer, and this latter upon a more extensive scale than last year, as his risks will be greater and the practical export buyer must fix his own price for export wheat from the sole outlook of his own clients, and in execution of his duty he will in all normal circumstances follow the market down by buying only his time-to-time requirements, as he can not be expected to carry the load of our domestic accumulation. Or the governments must buy the surplus wheat at some reasonable minimum price, allowing the normal domestic trade of the country to proceed with proper safeguards against speculation. Nor would the services of the speculator be necessary, for the Government should be able to stabilize the price of wheat without his assistance and can control the price of export wheat.

I remain, your obedient servant,

HERBERT HOOVER.

His Excellency the PRESIDENT OF THE UNITED STATES.

Washington, D. C.

Mr. BROOKHART. Following this letter the law was passed on the 10th of August, 1917. Then a board was appointed to fix the price of wheat; and I ask that the report of that board be inserted in the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

STATEMENT OF FARM REPRESENTATIVES WHO WERE MEMBERS OF THE PRESIDENT'S FAIR PRICE COMMISSION FOR WHEAT, 1917 CROP

(a) The allied committee which purchased wheat for all the Allies was practically the only export buyer of wheat, and through this buying power over the surplus exercised an important influence on the price of American wheat.

(b) The minutes of the committee's deliberations, August 17–30, 1917, a certified copy of which was delivered to each member before the final adjournment, evidence the care taken by the committee to prevent outside interference. After many formal and informal ballots it was voted unanimously to recommend to the President that the price for No. 1 northern spring wheat be fixed at $2.20. Only members of the committee were admitted after balloting began; all were present except Mr. Rhett, and none left the room until a statement addressed to the President had been prepared and approved by the committee. The conclusions of the committee were not made known to Mr. Hoover until after this statement had been approved.

(c) In reaching its conclusions the committee kept constantly in mind the three following factors, as stated in its report to the President: The fact that the United States was at war, the need of encouraging the producer, and the necessity of preventing speculation and profiteering.

(d) In accepting the recommendations of the fair-price committee the President issued a statement August 30, 1917, in the course of which he said: "The price now recommended by that committee, $2.20 per bushel at Chicago for the basic grade, will be rigidly adhered to by the Food Administration. Mr. Hoover, at his expressed wish, has taken no part in the deliberations of the committee on whose recommendation I determined the Government's fair price, nor has he in any way intimated an opinion regarding that price."

CHARLES BARRETT.
L. J. TABER.
E. D. FUNK.
W. J. SHORTHILL.

Mr. BROOKHART. Then, Mr. President, the board fixed this price at $2.20 a bushel, or 70 cents higher than the foreign bid; the Wheat Corporation immediately bid that price, and the price went to that level.

Mr. President, some farmers have erroneously, I am sure, charged the Wheat Corporation and Mr. Hoover with beating down the price of wheat instead of raising it up. I want to review that portion of the quotation of wheat prices, to show just exactly what did happen.

Beginning in July, when Mr. Hoover wrote this letter, the price of wheat was $2.66 a bushel. In August it averaged down to $2.47 a bushel. Because at that time those prices were at that figure, many of the farmers of the country believed that when the Wheat Corporation fixed the price of $2.20 they were cutting down the price of wheat, because they did not know of this $1.50 bid that had been arranged by the foreign countries—England, France, and Italy—and they were all the bidders we had.

On August 17, 1917, cash wheat was $2.40 a bushel; but on the same date September futures were only $2 a bushel. So already the future market was responding to this $1.50 bid, and wheat was rapidly dropping down to that level. On the 30th of August, however, the price was fixed at $2.20 a bushel, and December futures immediately rose to $2.17. I am quoting Minneapolis prices, which would be 3 cents less than the Chicago price. That meant that the prices were rising 17 cents a bushel above the September futures price that had been established before that time. So that this action, instead of reducing the price of wheat, did protect it against the foreign bid that was coming along surely to depress the price to $1.50 a bushel.

The Wheat Corporation had $150,000,000 to buy that wheat. It had authority to borrow more if it needed it, and it needed $385,000,000 more. It borrowed that much, and with $150,000,000 bought and held $535,000,000 worth of wheat. Then 1918 came along and the slogan went out, "Bread will win the war." The President called upon the farmers to raise more wheat, and issued a proclamation promising them the same price for the 1919 wheat crop that they had received for the 1918 crop. The 1918 crop had gone to $2.26. Six cents a bushel went on in an increase of railroad rates; and that was put on for the railroads and not for the farmers.

Under that stimulation the farmers sowed 18,000,000 acres more wheat; and then the armistice was signed on the 11th of November, and the war was over, and then we might not need this big surplus of wheat. This created a new situation; and the best of all the lessons in the control of surpluses has come out of this situation.

Mr. Julius H. Barnes was assisted in the management of the Wheat Corporation at that time; and on February 5, 1919, Mr. Barnes made a statement before the House Agricultural Committee, then considering legislation necessary to make the 1919 wheat price guaranty effective.

I now ask to have inserted in the RECORD the balance of Mr. Barnes's statement, found on page 152 of this book entitled, "The Grain Trade During the World War," by Frank M. Surface, economist for the United States Grain Corporation; also his statement in the first two paragraphs of page 153.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

On February 5, 1919, Mr. Barnes made a statement before the House Agricultural Committee, then considering the legislation necessary to make the 1919 wheat price guaranty effective. Mr. Barnes stated that the men then in charge of the Grain Corporation and serving as volunteers wished to retire at the end of the 1918–19 crop year, but they felt that they should put the benefit of their experience at the service of the committee. Mr. Barnes also disclaimed any desire on the part of either Mr. Hoover or the Grain Corporation officials to urge any particular form of legislation, but from their two years of service in this field they did feel that certain general powers must be delegated to the President if the guaranty was to be administered successfully. He recommended that the following provisions should be made in the legislation:

(a) An appropriation of at least $1,000,000,000 so that there might be complete confidence in the ability of the Government to carry through its undertaking.

(b) Authority to borrow, if necessary, in the regular commercial manner, pledging the credit and property of the agency.

(c) Authority to buy and sell wheat and other cereals and their products and other foodstuffs at home or abroad, for cash or for credit.

(d) Import and export embargo power.

(e) Authority to build storage facilities or contract construction with private enterprise together with authority to requisition storage and prescribe terms of payment.

(f) Authority to license dealers, millers, and elevators.

(g) Authority to control exchange trading.

(h) Authority to transport at home or abroad and carry on business anywhere in the world, and to form or use any corporations or agencies necessary.

(i) Preferential rail service on American railroads and steamships and authority to control the transport flow of all cereals or products into any markets or seaports.

In support of the necessity for these provisions, Mr. Barnes discussed in some detail the difficulties which might be encountered in handling an exceptionally large crop as was then promised in the face of the changed world conditions. However, to this statement he added:

"Much of the current discussion apparently assumes that there is no question but that the 1919 crop will greatly exceed the requirements of the world for ready consumption, and one must necessarily recognize that that is actually the present prospect, but prospects sometimes deteriorate before their actual fulfillment, and no policy should be based irretrievably on prospects only.

"I am forced to the conclusion that the only wise legislation possible at present is such extensive preparation that it will meet any possible crop development or combination of influences creating the most unfavorable conditions."

Mr. BROOKHART. Under this request, Mr. Barnes, chairman of the executive committee of the United States Chamber of Commerce, the super-government of the United States, prosperity adviser of the President of the United States, comes in and asks for a thousand million dollars for wheat alone; and yet this Republican platform says that the Farm Board was given ample funds for this agricultural problem, which included cotton and wheat and corn and oats and livestock and rice and several other agricultural products. But Mr. Barnes and Mr. Hoover asked for a thousand million dollars for wheat alone, and they got it; and fearing that even that would not be enough to handle the big prospective surplus that was then coming on, with 18,000,000 acres of extra sowing, they asked authority to borrow more money if they needed it, and got that authority, and they got these other authorizations.

Export and import embargo power; authority to buy foodstuffs for cash or for credit; to buy them anywhere in the world; authority to license dealers, millers, and elevators; to control exchange trading; to establish agencies anywhere in the world. They also got authority to condemn the terminal elevators, so that they might hold this surplus wheat as long as they chose, in order to give the farmers their cost-of-production price for these products.

In those days President Hoover and his assistant, Mr. Barnes, were talking like the Senator from Wisconsin [Mr. LA FOLLETTE] talked about the relief of the unemployed here to-day. Why have they gone clear away from that proposition? Why have they abandoned their position, and why did they write a platform like this in the Republican National Convention? Why are not that letter and the principles announced in that letter of Mr. Hoover, which was printed in the Republican campaign textbook of four years ago, inserted in the Republican platform, instead of this inadequate platitude that means nothing and can do nothing for the relief of agriculture?

Now, Mr. President, we will see what else is in this magical, ragical, tragical, agricultural platform.

The Federal Farm Board, created by the agricultural marketing act, has been compelled to conduct its operations during a period in which all commodity prices, industrial as well as agricultural, have fallen to disastrous levels. A period of decreasing demand and of national calamities, such as drought and flood, has intensified the problem of agriculture.

Mr. President, the students of agriculture from Wall Street who wrote this platform did not know enough to know that drought would reduce agricultural production, and that outside of the drought section it would help agriculture throughout the rest of the country, would reduce the supply instead of increasing it; so they write that inconsistency right here in the platform itself!

Then they say it was "during a period in which all commodity prices, industrial as well as agricultural, have fallen to disastrous levels."

Why do they not say that agricultural prices fell about twice as much, and since 1929 at that, as did the prices of the other products in the United States, according to the chart figures which I gave a while ago?

This platform is unfair all the way through. It fails to state the facts. It fails to state the real truth about the agricultural condition anywhere.

Says this platform:

Nevertheless, after only a little more than two years' efforts, the Federal Farm Board has many achievements of merit to its credit.

I remember some of those achievements. It got a man named Milnor at the head of two wheat corporations. It established two. One of those is called the stabilizing and the other the marketing corporation. The biggest achievement, in reference to wheat, was to employ Milnor at $50,000 a year. That is the most important thing in his employment. He testified himself that he operated in this way: He would go into the board of trade selling wheat in his marketing corporation, then on the same day go into the same board of trade buying wheat in his stabilizing corporation, perhaps the next day he was doing the opposite, a scheme of wash sales just as reprehensible as the wash sales of the stock exchange we have been investigating recently. That is one of the achievements of the Farm Board. Mr. Milnor was not the only high-salaried man. There were some at forty and thirty-five thousand in various positions, something in the way of big salaries for cooperation unknown throughout the world, and the cooperatives of many of the countries are a great deal larger than this.

Another achievement of the Farm Board was to get a man named Creekmore to handle cotton at $75,000 a year, and he had some 300,000 members in his cooperative association and he himself testified that their income would average less than $300 a year.

Let us see what other achievements the Farm Board has.

It has increased the membership of the cooperative farm marketing association to coordinate efforts of the local associations.

What good does that do if it constantly beats down the prices of farm products? That is not the kind of cooperation farmers are looking for.

By cooperation with other Federal agencies it has made available to farm marketing associations a large value of credit, which in the emergency would not otherwise have been available.

Mr. President, it is not more credit the farmers want; they want prices so they can pay the money they now owe.

Larger quantities of farm products have been handled cooperatively than ever before in the history of the cooperative movement.

What advantage is it to handle them cooperatively if the price goes down all the time? Unless this cooperative handling is going to increase the price it is a failure, and it will be a failure as long as the surplus is not properly handled. The surplus is the thing that depresses the price, and any cooperative organization with a surplus still left unhandled will result all the time in failure of this same kind.

Grain crops have been sold by the farmer through his association directly upon the world markets.

But they have been sold just the same as any other products, and they were not held back as they were by Hoover and Barnes in 1917, 1918, and 1919. They were sold in a way to depress the world market, dumped, as it were, into the world market, and I have no doubt they did depress the world market as much as or more than the Farm Board ever benefited the domestic market.

Due to the 1930 tariff act and the agricultural marketing act it can truthfully be stated that the prices received by the American farmer for his wheat, corn, rye, barley, oats, flaxseed, cattle, butter, and many other products, cruelly low though they are, are higher than the prices received by the farmers of any competing nation for the same products.

Mr. President, I do not know exactly what they mean by competing nations, but I did look up something about some farm prices in some other nations, and I got the quotations from France and from Germany. In Minneapolis No. 1 northern wheat was quoted on May 6, 1932, at 68.9 cents. In Paris it was quoted at $1.80 and in Berlin at $1.78. I got

this other quotation, of hogs, in Berlin, quoted at $7.80 and in Chicago at $4.02.

So the writers of this Republican platform again seem to be out to deceive the farmers and the country rather than to tell the truth about this agricultural situation.

The Republican Party has also aided the American farmer by relief of the sufferers in the drought-stricken areas, through loans for rehabilitation and through road building to provide employment, by the development of the inland waterways system, by the perishable product act, by the strengthening of the extension system, and by the appropriation of $125,000,000 to recapitalize the Federal land banks and enable them to extend time to worthy borrowers.

As I remember it, Mr. President, not one of those was a partisan measure. Every one of them passed by nonpartisan votes, and, as I remember, the flood-control measure was sponsored mainly by Senator Ransdell, of Louisiana, a Democrat.

This plank of the platform concludes:

The Republican Party pledges itself to the principle of assistance to cooperative marketing associations, owned and controlled by the farmers themselves, through the provisions of the agricultural marketing act, which will be promptly amended or modified, as experience shows to be necessary, to accomplish the objects set forth in the preamble of that act.

Mr. President, I have finished the reading of the most remarkable platform ever written in the history of the country under conditions like these. The one big problem of agriculture, the one thing that would take agriculture out of depression and then follow by taking other business out of depression because of agricultural prosperity, is not mentioned in the Republican platform, and that is the control of the agricultural surplus. In no place is there one word about it, and three times they deleted quotations from the marketing act in order to avoid mention of the control of the surplus.

Mr. President, all of the great farm organizations of the country have singled out the control of the surplus at a cost-of-production price as the principal item in agricultural relief, and this convention, called Republican, but which ought to be relabeled "Wall Street," has ignored the demands of the great farm organizations and the farmers throughout the country and has adopted a platform which means nothing and which can give nothing in the way of agricultural relief.

So, Mr. President, by this platform agriculture, along with the rest of the country, is sentenced to go down deeper into depression and to stay longer before it can return to prosperity.

The VICE PRESIDENT. The question is on the amendment offered by the senior Senator from Wisconsin [Mr. LA FOLLETTE] to the amendment of the committee. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce the unavoidable absence of the junior Senator from New Mexico [Mr. CUTTING]. He is paired with the junior Senator from Oklahoma [Mr. GORE]. If the junior Senator from New Mexico were present, he would vote "yea," and I am informed that if the junior Senator from Oklahoma were present he would vote "nay."

Mr. GLENN (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. LONG], who is absent from the city. I therefore withhold my vote.

Mr. HASTINGS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL]. I understand that if he were present he would vote as I intend to vote, and I therefore vote. I vote "nay."

Mr. HATFIELD (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. MORRISON]. I transfer that pair to the senior Senator from Michigan [Mr. COUZENS] and vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I understand, however, that if present that Senator would vote as I expect to vote, and I therefore vote. I vote "nay."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if present he would vote as I am about to vote. I therefore vote. I vote "nay."

Mr. NYE (when his name was called). On this question I have a pair with the senior Senator from Florida [Mr. FLETCHER], who desires that I announce that were he present he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. WATSON (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the senior Senator from Vermont [Mr. DALE] and vote "nay."

The roll call was concluded.

Mr. SHEPPARD. I wish to announce the necessary absence of the following-named Senators: Mr. GLASS, Mr. DILL, Mr. COHEN, Mr. THOMAS of Oklahoma, Mr. MORRISON, Mr. SMITH, Mr. WHEELER, and Mr. LONG. I am not advised how these Senators would vote, if present.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Colorado [Mr. WATERMAN] with the Senator from Washington [Mr. DILL];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Georgia [Mr. COHEN].

I also wish to announce that Mr. DALE, Mr. THOMAS of Idaho, Mr. BINGHAM, and Mr. WATERMAN would vote "nay" if present. They are necessarily absent.

Mr. McNARY. I desire to announce that the senior Senator from Michigan [Mr. COUZENS] is necessarily absent. If he were present, he would vote "nay."

Mr. BRATTON. I have a pair with the junior Senator from New Hampshire [Mr. KEYES], which I transfer to the senior Senator from Missouri [Mr. HAWES] and vote "nay."

Mr. McKELLAR (after having voted in the negative). Has the junior Senator from Delaware [Mr. TOWNSEND] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. McKELLAR. I have a pair with the junior Senator from Delaware, but I understand that if he were present he would vote as I have voted, so I allow my vote to stand.

The result was announced—yeas 12, nays 56, as follows:

YEAS—12

Blaine	Costigan	George	Norbeck
Brookhart	Davis	La Follette	Norris
Caraway	Frazier	Neely	Schall

NAYS—56

Ashurst	Connally	Kendrick	Robinson, Ind.
Austin	Coolidge	King	Sheppard
Bailey	Copeland	Lewis	Shortridge
Bankhead	Dickinson	Logan	Steiwer
Barbour	Fess	McGill	Stephens
Barkley	Goldsborough	McKellar	Trammell
Black	Hale	McNary	Tydings
Borah	Hastings	Metcalf	Vandenberg
Bratton	Hatfield	Moses	Wagner
Broussard	Hayden	Oddie	Walcott
Bulkley	Hebert	Patterson	Walsh, Mass.
Bulow	Howell	Pittman	Walsh, Mont.
Byrnes	Jones	Reed	Watson
Carey	Kean	Robinson, Ark.	White

NOT VOTING—28

Bingham	Fletcher	Johnson	Smoot
Capper	Glass	Keyes	Swanson
Cohen	Glenn	Long	Thomas, Idaho
Couzens	Gore	Morrison	Thomas, Okla.
Cutting	Harrison	Nye	Townsend
Dale	Hawes	Shipstead	Waterman
Dill	Hull	Smith	Wheeler

So the amendment proposed by Mr. LA FOLLETTE to the amendment of the committee was rejected.

Mr. TRAMMELL. Mr. President, I desire to offer the amendment which I send to the desk.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 114, line 6, after the word "appropriated," add the following:

That Title V of the World War adjusted compensation act, as amended, is amended by adding at the end thereof, the following:

"SEC. 509. The amount of the face value of the adjusted-service certificates heretofore issued is hereby fixed as the value of such certificates as of July 1, 1932, and interest at the rate of 2 per cent per annum shall be allowed on said certificates from July 1, 1932. The rate of interest on the loans heretofore made on such certificates shall from the date of such loans be reduced to a rate of 2 per cent per annum and adjusted accordingly.

"That the Administrator of Veterans' Affairs, upon the application of a veteran holding a certificate (with or without the consent of the beneficiary thereof), is authorized and directed to make a payment or payments of a total of as much as 75 per cent of the face value of his certificate, from which shall be deducted all loans or charges against such certificate. A veteran may make application for the cash payment herein authorized any time prior to July 1, 1934. In case physical or mental incapacity or the death of the veteran prevents the making or filing of a personal application, then it may be made by the beneficiary or the representative of the veteran, or the executor or administrator of his estate and in such manner as may be by regulations prescribed. In case of the death of the veteran, after an application has been made, but prior to the payment being made to him, the payment shall then be made to the beneficiary or his estate, whichever may be entitled to the same.

"SEC. 510. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509 shall, to the fullest extent practicable, provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence."

SEC. 2. The payments authorized on adjusted-service certificates under sections 509 and 510 of the World War adjusted compensation act shall be paid in Treasury notes.

The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the payments herein authorized. Such notes shall be legal tender for public and private debts and printed in the same size, of the same denominations, and of the same form as Treasury notes, omitting the reference to any Federal reserve bank.

He shall place such notes in the Federal reserve banks, subject to the order of the Administrator of Veterans' Affairs, to be used for the purposes of this act.

He shall issue a like amount of United States bonds bearing 3 per cent interest, payable semiannually, with coupons attached, and such bonds shall be due and payable in 20 years from the date of issue, subject to the right of redemption after 10 years.

These bonds shall be deposited in the Federal reserve banks, as the agents of the United States, in approximate proportion to their current assets at the date of the passage of this act.

In the event that the purchasing power of the dollar in the wholesale commodity markets, as ascertained by the United States Department of Labor, shall at any time fall as much as 2 per cent below the average value of the year 1926, the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portions of said bonds as may from time to time be necessary to restore the purchasing power of the dollar to the normal standard of 1926.

Such currency received for such bonds shall be exchanged for the notes hereby authorized to be issued, and they shall be returned to the Secretary of the Treasury for cancellation.

Mr. TRAMMELL obtained the floor.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Illinois?

Mr. TRAMMELL. The Senator from Illinois desires to offer an amendment, but it would not be in order, as I understand it, at this time.

The VICE PRESIDENT. Not when the amendment of the Senator from Florida is pending. The question is on the amendment offered by the Senator from Florida to the amendment of the committee. The Senator from Florida is recognized.

Mr. TRAMMELL. Mr. President, I desire to make a brief explanation of the amendment which I have proposed. In offering the amendment I am actuated by the fact that I feel that in providing relief for the purpose of trying to assist in alleviating distress and unemployment throughout the country, such aid as may be afforded to our ex-service men will be as far-reaching and as universal in its distribution and as broad in the relief it affords as any action which may be taken on the part of Congress in the matter of trying to contribute some assistance toward dispelling the depression which prevails throughout the country.

The amendment provides that an ex-service man who has obtained a loan of 50 per cent on his certificate may receive an additional amount of 25 per cent, not as a loan but a payment, making a total of 75 per cent of the face value of the certificate. On the other hand, the veteran who has not obtained any loan whatever on his certificate under the provisions of the law which permitted him to do so in the past may obtain a payment of 75 per cent of the face value of the certificate. I have prepared the amendment in this way so that those who have not heretofore obtained loans would have the privilege of securing as payment the same percentage of the face value of their certificates as those who have exercised the privilege given them under existing law passed some time ago to obtain loans of 50 per cent.

The amendment provides that the face value of the certificate shall be fixed as the value on July 1, 1932, and therefore suspends the law under which the certificates were issued providing for the certificate to reach its ultimate complete face value only in 1945. This makes the value of the certificate, now and hereafter, the full face value. But for this proposal the face value would not be reached until 1945.

I take this position regarding the face value of the certificate because I feel that the basis upon which Congress enacted the adjusted compensation law some years ago was that a soldier was to receive as compensation $1 per day for services in the United States in addition to his regular pay and $1.25 per day for the time he spent in overseas service. In that law it was provided that we—the Government—should take until 1945 to pay him the full face value of his certificate. Many of us felt at the time of the enactment of the law on this subject that the veterans should be allowed a cash-adjusted compensation. I think it is a great pity that that was not done when we dealt with the subject in 1924, because at that time the Nation was amply able financially to make proper adjustment in the nature of cash compensation. I was among those who favored the cash-adjustment policy when we were dealing with the subject in 1924, and I had previously introduced at least one or two bills so providing. However, that is water that has passed the mill and we are now confronted with the situation as we find it under existing law. I think that in justice and right and in appreciation of the great and patriotic services these men have rendered to the country, we may well provide that the face value of the certificates shall be as of July 1, 1932, instead of waiting until 1945.

The amendment provides that the payment shall be made upon the basis I have outlined. It provides that certain amounts of the adjusted-compensation certificates which are not absorbed under this payment and the loans previously permitted shall draw 2 per cent interest hereafter.

That I feel is a just provision, and I have proposed it in the hope that it might encourage those who have heretofore allowed their money to remain in the fund would continue to allow it to remain there. Another provision is that the rate of interest on loans heretofore made shall be reduced from 4 per cent to 2 per cent from the date the veteran obtained the loan up to the present time.

These are the main features of the amendment which I have proposed for settling the present face value as the value of the adjusted-compensation certificates and for making cash payments thereon. I know that in dealing with a relief plan a great many have felt that most of the relief should be given to financial institutions and public corporations. I disagree with such policy. There has not been very much proposed to assist even the governmental agencies of the States or of the municipalities, but the whole relief plan heretofore has seemed to center around the idea of having the funds go to the financial institutions of the country and to large corporations like the railroads. That plan up to the present date has practically failed except in that it has probably prevented a danger that was impending some months ago, which, of course, I think, has justified the legislation. If by enacting relief plans we have prevented a great disaster in the nature of many failures of our financial institutions, then we were justified in the legislation we have heretofore enacted which is now operating through the Reconstruction Finance Corporation. I hear a good many people criticizing, and it is becoming quite popular to criticize almost any action of Congress. I hear them criticizing the Reconstruction Finance Corporation and its operations.

Some say that Congress gave all the money to the banks. I have never held any brief for the bankers, but I believe in being fair with the banks; and, while I have supported legislation which has been of some assistance to them, I have not been thinking particularly about the banks or their officials. I have been thinking about the depositors in the banks, the people of the country who do business with the banks. I know of nothing that is more disastrous to a community than to have a bank failure or a number of bank failures or to have a great number of them throughout a State or a particular locality within a State. I do not mean disastrous particularly to the heads of the banks, but disastrous to the every-day citizen, to the small business concerns, to the thousands, who when bank failures become widespread, as they did a while back in this country, and to the millions of depositors, many of whom had all their accumulation of funds swept away within a night by bank failures.

So I have felt that Congress has been justified in the enactment of laws and provisions which would try to steady our financial institutions. The vision, however, should have been broader. Sometimes, in thinking of the situation, I fear that those in power have not had an extended and wide view of conditions in the country and great need for relief. We find one group that thinks only about assistance for their group only.

So when I hear people say that if Congress would finish its work, adjourn, and go home, the condition of the country would be better, I sometimes think that those who are so generous in heralding such admonition as that are those who think they have obtained all they wish from Congress and they want Congress to adjourn so that others seeking relief may not have any aid extended to them. We have heard sentiments of that kind expressed to-day. "Let Congress hasten along, expedite matters—pass a lot of half-baked legislation—and adjourn, and the country will then take care of itself." That is what we heard a little over a year ago.

I remember all the newspapers of the country a year and a half ago saying, "Well, if Congress will only adjourn, the stock market will revive, business will improve, and soon we shall have a prosperous era throughout the country, everybody will be happy and contented." Well, under a constitutional limitation which provided that the session should end at a certain time Congress was adjourned, but nobody has heard anything much except depression and distress and catastrophe after catastrophe in the industrial life of the Nation and in the everyday life of the people ever since the Congress adjourned March a year ago, and we know now that it was all a rainbow hope.

I believe that we should remain in session until we may outline a comprehensive plan to take care of the entire situation, the very best plan that can be devised by those in position of authority and responsibility whose duty it is to lend their best efforts to America in this day of her travail.

I read in the Washington Herald to-day a very interesting article in regard to how Canada had handled relief during the depression. For a year and a half or two years in this country the only pretense or gesture toward trying to bring about relief was in the way of appointing commissions or boards or saying, forsooth, after a while we shall endeavor to discover some method of bringing relief. How different was the situation in Canada! In 1930 the Premier of that country, through a special committee of Parliament, undertook to formulate plans for meeting the situation and the disaster in its very inception. As I read that article to-day I thought what a tragedy could have been prevented in our own country had as much vision and as much foresight and as much devotion for the public weal been manifested as has been by the people of the little nation of 10,000,000 to the north, who, as a result of the action of their Government, have not had such a terrible time as we have experienced.

I think that one great trouble with us is that everybody wants everything done in just his way, and that almost all of us have a contracted vision; it is not as broad as it should be. I feel that a majority of Congress, at least, and the administration have had very contracted and restricted ideas as to how relief should be extended, and there has been no effort made to bring about relief for all our people. I believe if we would make an adjustment with the ex-service men in this country and provide a fund of a billion and two hundred million or a billion and three hundred million dollars to go directly into their hands, to be expended in their respective localities, which are as wide as the Nation, that such action could not fail to be of substantial assistance not only to the veteran but as well in helping to support our business institutions and in helping to relieve unemployment and distress.

I do not think that is any matter of favoritism to make the cash payment to the veterans. I hear some talk about favoritism; it is said, "Why deal with this one class of people?" I have not yet seen a piece of legislation suggested in this body or in the other House of Congress or by the White House that was not to a more restricted group than legislation which would assist over 4,000,000 of our ex-service men and their families and those dependent upon them and the communities in which they reside.

I think everybody realizes that something has to be done. Considering the legislation that is pending now, Mr. President, how many people do you suppose will receive employment under it? It is a relief measure designed to give employment to those who are now out of work. I have not heard anyone state just how many it will help to obtain work; I dare say that it will be of assistance; necessarily it will assist; but it will not anything like take care of the unemployment situation throughout the country. I am heartily in favor of this legislation to give relief to the unemployed, but it will not reach nearly so many people as we can reach through making a cash adjustment—not the entire payment in cash at present—to the ex-service men of the country. However, I believe in even going to the extent of a full cash payment.

Some may call such a measure class legislation; but if we enact legislation that will not afford employment to more than 1,000,000 people, when there are 10,000,000 people out of employment, is not that class legislation in the direct benefit it provides? It is class legislation in the sense that it only assists a comparatively limited number when there will be millions of people who know that they will get no benefit from it. So, at best, the enactment of the pending bill will not assist as many as would be assisted if we should make an adjusted cash settlement—not paying the entire amount—with the ex-service men of our country.

I read in a newspaper this afternoon a story to the effect that some of the leaders of the so-called bonus army wanted all or none. Well, if there are a few of the leaders who feel that way about it they do not have to take the cash, but can leave it in the Treasury. I have not offered this amendment on account of the presence of the bonus army that is here in Washington. They have every right to petition the Congress. No one has any objection to that whatever, and I feel that they are to be commended for their behavior. So far as I have heard, their behavior, generally speaking, has been very commendable. The few of them whom I know personally are fine men with only the best of purposes. This little group here represents only about one-half of 1 per cent of the ex-service men of this country. I know that the 99½ per cent of the veterans of this country who are back home struggling to make a living and to care for their families are just as patriotic as the one-half of 1 per cent who have come to Washington in an effort to force Congress to take action only as they wish it. Those back home and also 95 per cent of those in Washington will appreciate being permitted to receive as a payment such amount as would be allowed to them under the amendment which I have proposed. I know the ex-service men in my State quite well, and I know that in times of stress such as we have at present they will appreciate receiving up to 75 per cent of the face value of their certificates.

I know that they also appreciate the fact that the Nation is in a distressed condition with a total of 10,000,000 unemployed, and that there are many others for whom there should be some relief. This general unemployment situa-

tion should be cared for; and instead of their saying "We must have 100 per cent, or we will not take anything," as the leaders of the bonus army here are quoted as saying, I dare say that the 99½ per cent of the ex-service men of my State, who are back at home and not here en masse telling Congress in substance that they must do so and so, appreciate the situation.

I have proposed this amendment as a tribute to and a recognition of the service of all patriotic service men to their country, because I think it is just and right, and also for the reason that I know of no way in which we can make a greater contribution toward the relief of suffering, hardship, and unemployment throughout the different localities. This will give us a general expenditure of a large sum of money that will go to the countryside and into every hamlet and village of each of the States throughout the Union.

If we are not going to do this, if we are going to deny this assistance to our ex-service men, what are we going to do? Are we going just to provide funds, as contemplated by this bill, to loan to somebody to go and arrange with some contractor to carry on some private enterprise out of which he will make money? It is true he will give somebody employment, and, of course, the object and purpose of the legislation is to try to stimulate employment, to stimulate building activity.

If we do that, however, are we going to say that the door is closed to this other avenue and this other course which we may pursue toward trying to assist those who are out of employment, many of whom are in destitute circumstances, many of whom have as good security upon which to obtain funds from the Federal Government as the banks and the private corporations and even the municipal corporations to which we propose to loan money under the other provisions of this bill?

The security of these men is their adjusted-service compensation certificates—an honest debt owed to them by the Nation. It is true that it is not due yet under the formal terms of the certificate, but they have that as an asset. They have that as a recognition of their service on the part of the Nation. I propose to give that certificate a cash value. Now, in the hour of their peril, are we to withhold from them any settlement or adjustment? Are we not going to try to assist them as we are trying to relieve distress throughout the country and the Nation?

If we do not make some provision to try to assist these men, we are ignoring the biggest group of the people of America who hold an asset which should be recognized for credit upon which they should obtain some help from the Government at this time.

I very much hope the Senate will see fit to agree to this amendment. The whole bill has to go into conference with the House; and if this amendment should be adopted my confident belief is that it will do more people good, assist more in relieving distress, do more toward eliminating unemployment, and assist a greater number of people than any other provision we have in this measure; and that is the main basis upon which we are enacting relief legislation for the assistance of the people of this country.

I hope that at least a majority of the Senators will agree to the adoption of this amendment. It has gone pretty well over the country, and I think Congress has been more harshly criticized than it should have been, that Congress and the administration have been very unmindful of the necessity of rendering any direct assistance to the people of this country. I think probably that criticism is more or less merited, but the people have been rather severe about it. They have even gone so far as to charge improper motives on the part of those in authority. I do not think any of the Members of Congress entertain improper motives. I do not think any of the officials are actuated by such motives; but it just seems that some people in certain environments are not able to comprehend the entire situation.

They have lived too much in a contracted environment and they want everybody to bow down to what they think should be done, without making some concessions and without trying to bring about a harmonious plan that would be as far-reaching as possible.

That is one of our great troubles. I do not set myself up as a critic, but that is one great trouble. Some one just wants to loan money to corporations and banks and not to loan money to anybody else. Some people think that we can assist the country only by pumping a little more life into the railroads of the country, and they do not care whether we assist anybody else or not. We have reached a condition in this country where such a policy as that does not meet the requirements, the needs of the country. We must have a decidedly broader vision. We must take the position that the business affairs of this country, the life and the activities of the average individual, are all so interwoven and so interdependent one upon another that we can not produce prosperity in the Nation merely by helping a particular class of people. We must try to assist all, and then we will bring about a greater degree of happiness and more of a restoration of normal conditions, which we hope and pray for in this country.

It was said when we enacted the Reconstruction Finance Corporation bill that we were going to have the banking facilities of the country made more available and we were going to loosen up credits, and that would assist the average business man of the country, would assist agriculture and those who should have reasonably liberal banking facilities.

Absolutely nothing has been accomplished along that line. I do not remember the exact figures, but within a week or two I read that instead of an expansion of credit through the financial institutions of our country, since about last January there had been a contraction of credit through the banking institutions of a billion dollars. They said the people have been paying off the banks. Well, of course, we know why the people have been paying them off. Most of them had to do it. That is the reason why they have been paying off the banks. So we have gotten no expansion of credits, we have gotten no expansion of currency through any of the plans that have heretofore been devised. It would be just as well to declare those operations a failure, except in so far as they may have aided in averting the catastrophe, as some claim, which was hanging over the country; that is all.

Take our Farm Board relief legislation. What has that accomplished? I do not know whether it has accomplished anything or not. I do not see how the prices of wheat, cotton, and other agricultural commodities could have gone much, if any, lower without the Farm Board. They are about the lowest in the history of the country. It is possible, of course, that they might have gone still lower.

I can not understand why those in authority are always playing favorites with the financial institutions of the country, to the disregard of the general public welfare. I can not understand that. Take the stock market in New York City. When we first began to talk about the evils of the stock market and short selling and manipulation and pools upon the stock market, Mr. Whitney, the head of the stock exchange, said that it was necessary to have short selling, and that the stock market should be left absolutely alone. The values on the stock market have gone down many millions of dollars. We know of the manipulations and the rascality and the scheming that has been carried on upon the stock market in this country. We know of the rascality and the scheming that has been carried on by the international bankers of this country, to the detriment of the American people. We know all that; yet some seem to think that every time we want to try to bring back a little lifeblood and a little assistance to the people of the Nation we have to go through those channels exclusively.

I want to see them do well; but, thinking of the millions and millions of the people of this country who are independent of these institutions, I think we ought to try to reach some of them directly. The old plan does not seem to be a very great success, and I propose here this plan—of course, we have had it before us on another occasion for the full amount—which I believe will reach a very large number of our people and will do a great deal of good and will be an

act of recognition of the valor, the patriotism, and the heroism of these men who defended the Nation in its hour of peril that will receive the commendation and the approval of at least 80 or 90 per cent of the American people.

Of course there are some who will not approve of it—some few who think that they will not be able to get quite so much on account of legislation of this character. They will not approve of it. We can not eliminate this element of selfishness that seems to be rather embedded in probably all of us. We can not eliminate that; but here we are representing all the people. Here we are trying to do the greatest good to the greatest number of our American people; and that should be our governing motive in dealing with this and with all other legislation.

During the fight on the tax bill I would receive a telegram one day from a person urging that a certain tax should not be imposed, that tax affecting that person. The very next day I would receive a telegram from the same person saying he thought a certain other tax ought by all means to be imposed, because that tax did not affect him. I think that is rather the way when we come to the question of relief legislation. One element wants something that they hope will help them, and I do not blame them for that.

Another element prays that some relief may be given that will help them, and so it goes throughout the different elements, and none of them are able to come into a harmonious plan for the purpose of trying to render general assistance to the entire people. I do not mean that we can give everyone a dollar or twenty dollars or a hundred dollars, but relief should be made as general as possible, and under such a plan there would be far more probability of bringing about better conditions in this country than by restricting the relief plans to very limited channels.

I very much hope the Senate will see proper to adopt the amendment.

Mr. NEELY. Mr. President, with much enthusiasm and absolutely no hope, I ask unanimous consent that until the Senate shall have finally disposed of the pending bill no Senator shall speak more than five times or more than five minutes unless he has something to say. [Laughter.]

Mr. TRAMMELL. Mr. President, I suppose the Senator meant his little pleasantry as a thrust at me.

Mr. LEWIS. Mr. President, I do not see how that possibly could be. There was nothing to evidence it.

Mr. TRAMMELL. He sits around and prays for a vote and prays for an opportunity to go to the Democratic convention. I do not know why he is so longing and so worried because he can not go there. As far as I am concerned, I think the interests of the people of America are decidedly of more importance than attending the Democratic convention.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. TRAMMELL] to the amendment of the committee.

Mr. TRAMMELL. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. TRAMMELL. Mr. President, I am unable to understand why Senators do not want a record vote on this subject. I am very much surprised and disappointed. I thought at least 12 or 15 hands would be raised favoring a record vote.

Mr. KING. I think we have already put ourselves on record.

Mr. TRAMMELL. The Senators have not put themselves on record on this proposition.

Mr. KING. We have had a vote on what is really somewhat of a sister to it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

Mr. LEWIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The clerk will report the amendment.

The CHIEF CLERK. On page 103, between lines 19 and 20, the Senator from Illinois proposes to insert a new section, as follows:

SEC. —. Section 5 of the Reconstruction Finance Corporation act is amended by adding at the end thereof the following new paragraph:

"Within the foregoing limitations of this section, the corporation may make loans to any State for the purpose of making temporary advances to municipalities, counties, or other political subdivisions within such State to pay the amount of the salaries and compensation of their employees payable during the year 1932 or prior years and which remain unpaid on the date this section, as amended, takes effect, if provision has been made in accordance with the law of such State for the payment of such salaries and compensation out of the proceeds of taxes levied for such purposes prior to such date, and if, in the opinion of the board of directors of the corporation, such municipalities, counties, or other political subdivisions are unable to obtain funds upon reasonable terms through banking channels or from the general public and the corporation will be adequately secured."

Mr. LEWIS. Mr. President, I recognize it is the desire of the Senate to vote on the pending measure, and I desire to aid it. I beseech the Senate to allow me a second of its consideration while I explain the purpose of this amendment.

I desire to reveal that it is the object to borrow money in the name of the municipality of Chicago, and that of the board of education, or either, with the object of paying the salaries, for a year past due, of the school-teachers, who are in great want and enduring indescribable distress.

There is some confusion here on the part of many Senators, for whose judgment I have very great respect, who seem to think that the words in the bill "of liquidating character" prevent institutions such as a city or a board of education from borrowing, because neither is a commercial organization.

I desire to present to the Senate the single thought, and with it the single expression, that the object is to cure that, if there be a doubt, in order that the Reconstruction Finance Corporation, if in exercising its discretion it shall conclude that the applicant, to wit, the school board, is entitled to the money to pay the school-teachers who have long waited for their compensation and are now in distress as the result of the loss of it, may do so; and the provision of the amendment is that they may do so whenever in their judgment it is seen that the banks are without funds and the local authority has also been exhausted.

I respectfully ask of the Senate that they consider the amendment, with the object I have presented, to allow the local board and the city to go to the corporation in order that the salaries which up to the present time have not been paid, and which have left the officials to whom they are due in such distress and want, shall be compensated in the form of a loan, in the meantime that loan resting upon security that shall meet the discretion and the approval of the corporation.

I thank the Senate for its consideration.

Mr. GLENN. Mr. President, only on such a motion would I take the time of the Senate at this late hour, when I know how anxious Members are to dispose of the pending measure and recess or adjourn.

Yesterday there came to the Capital City a great and representative delegation of the citizens of the second city in the United States. They came here most reluctantly, and only as a last resort, in a great and extreme crisis in that community. That delegation was headed by the mayor of the city, the Hon. Anton J. Cermak, a Democrat, and with him came Fred W. Sargent, the president of the Chicago & North Western Railroad Co.; Mr. Kelly, the president of one of the great State Street concerns, both of the latter gentlemen directors of the largest bank west of the Allegheny Mountains. With them came the representatives of various municipal corporations included within the county of Cook, and the different corporations forming the municipal corporation of the city of Chicago. There came also the representatives of the school-teachers of Chicago, of the firemen of Chicago, of the policemen of Chicago, and of almost every great interest of that great city, from the

highest interest in the way of capital and aggregated wealth to the interest of the humblest citizen, the man who sweeps the streets of that great commonwealth. All were represented here yesterday in this Capital.

They came here because for the last three years, owing to protracted litigation on the part of thousands of taxpayers in that city, the taxation and collecting authorities of Chicago have been unable, prevented by tax objections, to collect the taxes due the city, now aggregating more than $252,000,000.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me?

Mr. GLENN. I yield.

Mr. WALSH of Massachusetts. Has any effort been made to have the State government of Illinois come to the assistance of the city of Chicago?

Mr. GLENN. Oh, yes.

Mr. WALSH of Massachusetts. With what result?

Mr. GLENN. There have been three or four special sessions of the legislature to take care of emergency relief and distress matters. At the last session they voted a note issue of eighteen and a half million dollars, about 95 per cent of which was allocated by the State of Illinois to the county of Cook, in which Chicago is located. They sold in the first great drive about eleven million of those notes. They are 6 per cent notes of the State of Illinois, payable out of an additional gasoline tax of 1 cent a gallon.

Mr. WALSH of Massachusetts. So the city has already received the money raised by notes issued by the State of Illinois in the sum of $9,000,000?

Mr. GLENN. No; there have been sold out of that issue of notes all but about a million dollars.

Mr. WALSH of Massachusetts. How much all together?

Mr. GLENN. Sixteen to seventeen or seventeen and a half million dollars.

Mr. WALSH of Massachusetts. So the city has received seventeen and a half million dollars from the State of Illinois?

Mr. GLENN. I say the city; it went to an unemployment-relief fund known as the governor's unemployment relief fund, for the purpose of affording relief.

Mr. WALSH of Massachusetts. I understand the purpose of this amendment is to pay employees of Cook County. Am I correct?

Mr. GLENN. Yes.

Mr. WALSH of Massachusetts. So the money that has been given to the county by the State of Illinois, or loaned by the State of Illinois, was for general relief, and not to pay salaries?

Mr. GLENN. For general relief; but this is all a part of the general relief program. These school-teachers have not been paid for 14 months. The testimony yesterday was that numbers of them were sleeping in the parks and going in the morning from the public parks of the city of Chicago to teach the children of the city of Chicago.

Mr. BORAH. That is in the city of Chicago?

Mr. GLENN. That is in the city of Chicago.

Mr. WALSH of Massachusetts. Is the credit of the State of Illinois such that it can issue bonds or notes and raise funds?

Mr. GLENN. They have been unable to sell these notes except by a great public-spirited drive of the people of Chicago. They sold $4,000,000 of the notes there in one day, when the relief stations were about to close, and that only because it was represented there that if those relief stations closed not only these school-teachers and these firemen and these policemen would be starving but that 600,000 other people who had been fed daily at those relief stations would be in a starving condition.

Mr. WALSH of Massachusetts. What is the state of the credit of the State of Illinois?

Mr. GLENN. The state of the credit of the State of Illinois is low, and I will tell the Senator why. It is because half of the revenues of the State of Illinois come from the county of Cook. For three years the State of Illinois has not received its taxes from the county of Cook, so it has been deprived of that revenue and has been unable to meet certain bond interest which is due, and those bonds are in default for that reason, and that reason alone.

Mr. WALSH of Massachusetts. Does the amendment propose to pay the unpaid employees of the State of Illinois also?

Mr. GLENN. Oh, no; the amendment proposes that a loan be authorized to any State—and we have in mind, of course, the Illinois situation—for the purpose of the State advancing to its political subdivision money for one purpose, and one purpose only, and that is for the payment of wages due and to become due this year to its employees. We have talked about this being an unemployment-relief plan. There has been much debate here as to what percentage of the funds would go to wages if the funds were advanced for highway purposes or for building-construction purposes. Every single dollar of this money will go for wages.

Mr. WALSH of Massachusetts. What is the bonded indebtedness of the State of Illinois?

Mr. GLENN. I do not know.

Mr. WALSH of Massachusetts. What is the per capita indebtedness of the State of Illinois?

Mr. GLENN. I do not know.

Mr. WALSH of Massachusetts. The Senator does not know?

Mr. GLENN. No; I do not know the exact indebtedness.

Mr. WALSH of Massachusetts. My own State of Massachusetts borrowed on short-term notes within a month large sums of money at the rate of 1.1 per cent. I can not understand why the great State of Illinois is in such a bankrupt condition that its credit is not able to raise sufficient funds to pay the employees of the city of Chicago.

Mr. GLENN. There is $252,000,000 of past-due taxes tied up in lawsuits.

Mr. WALSH of Massachusetts. But if there is no indebtedness they ought to be able to raise the money.

Mr. GLENN. Oh, but there is indebtedness of the State of Illinois. We have had a road-building program to bring prosperity to Illinois. We issued $60,000,000 of hard-road bonds. We followed that up with another issue of $100,000,000 of hard-road bonds. We built a waterway with which Senators here are familiar.

Mr. WALSH of Massachusetts. I think we ought to have some evidence of the per capita indebtedness of the State of Illinois. The per capita indebtedness of the Federal Government is $135. There is scarcely a State in the Union whose per capita indebtedness is over $10. If the per capita indebtedness of Illinois is but a few dollars, it does not seem to me the State can come with good grace and ask credit of the Federal Government.

Mr. GLENN. Perhaps not——

Mr. WALSH of Massachusetts. I want to say, if the Senator will permit me, that I am ready and prepared to go the limit in using the credit of the Federal Government to help any State that is in financial difficulty, but I refuse to have the Federal Government lend its credit to counties, towns, municipalities, or cities. I do not think we have any more right to deal with them than we have to deal with a minor child rather than the parents.

Mr. GLENN. The Senator from Massachusetts does not comprehend the amendment apparently. We do not propose to lend the credit of the Federal Government to municipalities or counties or subdivisions. We lend the money to the State of Illinois, and we will have back of it the credit of the State of Illinois. I assume that if the State of Illinois sees fit to advance money to Chicago, it will only be after a very clear demonstration is made to the general assembly of the State, because down-State Illinois controls the general assembly, and there is usually the most bitter fight over such matters.

Mr. WALSH of Massachusetts. Are the governor and the legislature asking for this credit from the Federal Government?

Mr. GLENN. The governor and the legislature have been in special session repeatedly. They send word here. They had their representatives here yesterday, people who have

been working with this problem all the time. They say it is a matter of last resort. The mayor of Chicago, Mr. Cermak, made the statement yesterday that no one knows how serious the situation is in Chicago. It is said that unless they get relief of this character, and get it soon, the policemen—and there are 500 less of them now than when the mayor came into office, and their wages have been very substantially reduced—can not maintain themselves longer. The school-teachers have been unpaid for 14 months. The firemen are unpaid. The garbage workers struck yesterday because they are unpaid.

Mr. WALSH of Massachusetts. We are fully aware of the very serious condition the Senator describes in the city of Chicago, but I want to know whether the governor is here or is the legislature here petitioning the Federal Government to lend its credit to the State of Illinois to help the city of Chicago?

Mr. GLENN. The governor is not here to-night.

Mr. WALSH of Massachusetts. Was he here yesterday?

Mr. GLENN. No; he was not here yesterday.

Mr. WALSH of Massachusetts. The municipal authorities of Chicago were here?

Mr. GLENN. Yes; the municipal authorities of Chicago were here and all those representatives to whom I have referred, including the chairman of one commission after another appointed by the governor, speaking, I take it, with some assurance from the governor.

I just want to lay the matter before this body and then I shall have done my duty. I thought the facts should be laid before the Senate. These men came down here not wanting to come, but the mayor said that they are having meetings of 5,000 communists there, one after another, day after day, and that unless some relief comes there will be 600,000 families in Chicago unfed. If the firemen continue unpaid, they can not act forever, and pretty soon there will be no firemen in Chicago. Pretty soon there will be no policemen in Chicago to cope with the rising spirit of riot and revolution that is about to come upon us there.

Mr. DICKINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Iowa?

Mr. GLENN. I yield.

Mr. DICKINSON. Was there not a proposal of some sort in the legislature at Springfield during the winter intended for relief of this kind? Was there not a State bond issue to help out the very situation the Senator is describing?

Mr. GLENN. That is what I have told about, the note issue of $18,000,000 for relief, which was voted by the legislature and 90 or 95 per cent of it allocated to Chicago, but it will all be gone very soon. That does not pay the school-teachers or the firemen or the policemen.

We are talking here about relief. It seems we are perfectly willing to vote to relieve all sorts of corporations if they will start building tunnels or viaducts or bridges or any other sort of work that will pay a portion of the money in wages, but when the third State of the Union comes and offers to pledge its credit and back of it the credit of the second city of the United States upon a proposition which will be devoted 100 per cent to wages, then objection comes. I do not criticize anyone for objecting, but what is wrong with advancing money for a 100 per cent payment of wages?

Mr. WALSH of Massachusetts. We have recently passed a measure providing $300,000,000.

Mr. GLENN. Yes; but $300,000,000 for what?

Mr. WALSH of Massachusetts. To lend money to the States for the purpose of relieving distress and misery in the States upon the representation of a State that it can not take care of its own distressed condition.

Mr. GLENN. That is not based upon need. It is based upon population. Illinois would be entitled to about $17,000,000 out of that, and our experience is that the needs of the distressed people come 90 per cent from urban areas. But we pay no attention to needs in that bill. Oh, no; a rural State gets the same amount per capita as does an industrial State. The Senator from Massachusetts knows as well as anyone, I think, that this distress is in the cities, primarily in the industrial centers. Eighteen million dollars will not be a drop in the bucket.

Mr. HAWES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. GLENN. I yield.

Mr. HAWES. As I understand it, the Senator from Massachusetts is concerned with only one subject.

Mr. GLENN. I do not know about that.

Mr. HAWES. That is whether this fund would go to the State or would go to the municipality. As I understand the amendment, the money would go to the governor of the State to be allotted to the city of Chicago, and if he does not choose to allot it to the city of Chicago, then Chicago does not get it; so that, therefore, the governor of the State accepts the money and the responsibility for its distribution. Is that correct?

Mr. GLENN. It goes to the State of Illinois to be allotted to any political subdivision for the sole purpose of paying wages.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Michigan?

Mr. GLENN. I yield.

Mr. VANDENBERG. Will the Senator comment on this phase? How does it happen in the face of a desperate municipal situation of this character that the situation does not sufficiently appeal to those citizens who have not paid their taxes in three years to discontinue at least temporarily their litigation and come to the rescue of their own community?

Mr. GLENN. We have about 200,000 tax objectors. The public-spirited citizens of Chicago have come to the rescue; the great industries, the great concerns, the wealthy people, almost without exception, have paid their taxes; but there has been organized a taxpayers' strike. There are thousands of them. The promise has been held out to those people that they can save half of their taxes and they may save all of their taxes. The proposal has been made to them "Give us one-third and we will take a chance." There has been a decision of the supreme court within the last 30 or 60 days holding against those objectors and holding the assessments valid, and the money is going to begin to come in soon. That was a verbal opinion. At this session of the supreme court, convened in June, a written and final opinion is expected, and then those taxpayers will have to pay their taxes. The $252,000,000, according to the statement of the mayor of Chicago and the city comptroller, will in large proportion soon be available to pay off the Federal Government or to pay off the State of Illinois for any advances made.

Mr. BLAINE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Wisconsin.

Mr. GLENN. I yield.

Mr. BLAINE. I understand that the $252,000,000 of tax delinquency is due to the fact that there are protestants against the validity of the taxes.

Mr. GLENN. So I am advised.

Mr. BLAINE. For how long a term has the litigation which is in progress been before the courts of Illinois?

Mr. GLENN. The unpaid taxes run back for three years.

Mr. BLAINE. Then, is not the Senator indicting the courts of his State? It seems to me three years is a long time in which to get a decision on the validity of a tax assessment.

Mr. GLENN. There was one assessment after another that has been passed upon and that has been involved in the litigation. It is a long, continuous grind of involved and intricate litigation.

Mr. BLAINE. But the first protestants must have gone to court and that must have been in litigation for some three years. It would seem to me that three years is a long time for the courts to take to decide so important a question.

Mr. GLENN. It is a long time.

Mr. BLAINE. It is a long time when we consider that the very sovereignty of the State of Illinois is at stake.

Mr. GLENN. There is not one lawsuit but thousands of them. I am not familiar with the litigation except in a general way.

Mr. BLAINE. I was going to ask why the State of Illinois has not put its house in order long ago——

Mr. GLENN. I wonder myself.

Mr. BLAINE. And provided, as many States have provided, that before there can be any contest over an alleged invalid tax the taxpayer must first pay the tax into the Treasury, wherever that tax may be due, and then proceed to litigate the validity of the tax.

Mr. GLENN. I think it would be a very wise provision. Unfortunately it has not been enacted in our State. But that is not the fault of those teachers, firemen, policemen, and street sweepers. If we are to furnish emergency relief and if it is to be furnished for wages, it must be done here. We will have back of it not some speculative contracts, but we will have back of it the credit of the third State in the Union and of the second city in the Union. If anything is good in this country, if anything is coming out of this great economic upheaval, then the credit of Illinois and Chicago is bound to come; and if it does not, then the whole country is doomed.

Mr. BORAH. Mr. President, that is the very thought that is running through my mind. When the city of Chicago and the great State of Illinois come here for money to pay their teachers, it occurs to me that in all probability the "jig" is up.

Mr. GLENN. It may be. I do not believe it is, however. It is a desperate, unfortunate, and embarrassing situation. I would be derelict in my duty, it seems to me, when the most representative people of Chicago come here and ask me to present the matter to the Senate, if I did not do so. They are all high-class people, and I include all of them, the representatives of labor, the representatives of the school-teachers, of the policemen, the firemen, and all the others. They have come here because of a situation for which they themselves are not responsible.

Mr. BORAH. Mr. President, no newspapers in the United States have been so severe upon Congress for the program which it has undertaken, both with reference to voting relief and with reference to taxes imposed, as have the newspapers of the city of Chicago.

Mr. GLENN. That does not include all the newspapers, and in any event I do not believe we should penalize a suffering school-teacher or a starving child because some Chicago newspaper does not meet our views in the discussion of public problems.

Mr. BORAH. I assume that the Chicago newspapers must be advised as to the situation, and they certainly must speak the voice of the people of that city, to some extent.

Mr. GLENN. I know that a number of the school-teachers were furnished money to come here by two of the great newspapers of Chicago—at least, I was so advised by them; their trip was really financed by two of the great newspapers of Chicago in order that they might present this situation.

The mayor of the city said—and I heard him say it twice yesterday—that riots were almost sure to come, that he feared they would come, unless some means were provided.

I have laid this matter before the Senate. I am not a resident of Chicago, but I know if the Senate wants to relieve distress, if it wants the money which is to be loaned to be used to pay wages, it has an opportunity here to carry out that policy. If the Senate wants the Government to get the money back, it has a certainty of getting it back; and if it is better for the Government of the United States to advance money which will all be devoted to paying wages and which will all be returned rather than to gamble and speculate and theorize about lending money to finance the sale of grain to Europe, to finance so-called self-liquidating projects such as tunnels, viaducts, toll bridges, and similar enterprises. The Senate has a chance to choose between those two theories.

If the amendment shall be adopted and the money shall be advanced, it will all be repaid. The State of Illinois will be able to pay its debts; the city of Chicago will be able to pay its debts.

The present mayor of Chicago has reduced the expenditures of the city to a minimum. A committee of experts made a survey and considered every possible economy which could properly be made, and asked the council and the mayor to put the economies recommended by them into effect. The city council and the mayor not only put them into effect in the last budget, but went beyond the suggested economies, and reduced the amount $3,000,000 more than great business leaders of Chicago, members of that committee, recommended.

Mr. President, let me call attention to another situation which is indicative of the change of heart in Chicago in the administration of its public affairs. Much of the public debt of that great community came from the Sanitary District, which is a separate corporation from the city of Chicago itself. Not long ago there were 4,600 employees of that Sanitary District, but finally the people rebelled at the riotous extravagance of that Sanitary District, which I do not justify but which I condemn, and in this new era different people were voted into power, and now they have reduced the number of employees of that Sanitary District from 4,600 or 4,700 to about 1,000.

Chicago, I believe, has learned her lesson. She has for years looked complacently upon extravagant municipal expenditures, upon the excessive building of highways and parks and playgrounds and all those things; but now pay day has come. It is not the fault of the Federal Government; it is not the fault of the Senate; it is not my fault or the fault of the public officials now in office in the city of Chicago. This crisis was not brought about by the men now in charge.

They come here asking the Congress to help them deal with a crisis of a severity unknown before in all the history of that great city, which in a century has sprung up from a dismal swamp to be one of the great cities of all the world. They only ask this credit for a short time; every dollar will go for wages, and every dollar will be repaid.

Mr. LEWIS obtained the floor.

Mr. NORRIS. Mr. President——

Mr. LEWIS. I yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, my inclination at first blush was to vote against this amendment. There are a good many reasons why one would be justified in voting against this. I had not any idea when I heard the amendment talked about days and weeks ago, as I have heard it talked about, that I would ever vote for it; but, Mr. President, I can not turn my eyes away from the picture which we have now before us. It seems to me that we are confronted with a situation which should cause us, regardless of the past, to go to the relief of the city of Chicago.

I have no friendship particularly for the city of Chicago and I have no friendship for the great newspapers of that city, and especially the one that claims to be the greatest newspaper in the world, which has slandered practically every Member of the Senate and has carried the idea in its daily editorials that the Senate of the United States is a tool of Capone and his gang because some of us who are on the Judiciary Committee thought that Judge Wilkerson was not a fit appointee for the Federal bench. Day after day that sheet has hurled epithets and innuendoes against the Senators who were opposed to the confirmation of this man on the ground that we were influenced by the Capone gang. Every sinew in one's body rebels against the indecent, malicious innuendoes which have been hurled against the Judiciary Committee and against the Senate because of the attitude some Senators have taken regarding that nomination. So no appeal coming from such a source as that, although that newspaper claims to be the greatest newspaper in the world, would ever induce me to come to the support of anything or anybody because of its advocacy.

But, Mr. President, we are confronted now with a condition the like of which I think we never before beheld.

In my judgment it has an important bearing upon the national aspect of unemployment. It has an important bearing, I believe, upon the crisis which is confronting us in our efforts to save this country from ruin. If what the Senator from Illinois has pointed out should happen in Chicago—and it seems reasonable to think that unless some relief comes it will happen—it may be the start of something that before it ends will include the entire Government of the United States.

The men and the women to whom relief will go, if relief shall be granted, are not to blame for the situation which exists. The school-teachers of Chicago, who, the Senator says, are sleeping now in the parks of that city because they have no money with which to pay for rooms and board, are not to blame for this distress. The officials are not to blame, it seems to me. But we are confronted with a condition which we must take as it presents itself to us. We can not turn our eyes and our backs upon suffering of that kind, no matter what the cause may be. Regardless of technicalities and regardless of cause, we ought to help the suffering people of Chicago if we have any way on earth of helping them.

> The quality of mercy is not strain'd;
> It droppeth as the gentle dew from heaven
> Upon the place beneath: it is twice bles'd;
> It blesseth him that gives, and him that takes.

It seems to me we are confronted now with a condition where immediate relief is demanded and is necessary, regardless of the cause of that condition.

I presume in due time the tax cases will be decided by the courts; I agree with Senators when they say there is no excuse—and there is none, so far as I am able to see—for the long delay; but the delay has taken place, and the condition is as has been described to us by the Senator from Illinois. No one, as I understand, disputes it. There is not any question about what the conditions are. So, whatever the cause, if we have any way of relieving the deplorable conditions, we ought to relieve them, as a matter of humanity, regardless of the kind of people involved, although undoubtedly most of them who will get this relief are very high-class people.

Regardless of the unenforcement of law in Chicago, and the domination of the city to a great extent by gangsters and outlaws, if there is not any other way for them to secure relief, and we can give it to them, we ought to give it, and it seems to me that there can be no excuse for not doing so. I believe we are justified in laying aside technicalities and everything else which may be in the way and going to the limit of our ability to grant relief.

The people involved are our compatriots; they are the same as the people in other parts of the United States; they are moved by the same impulses; they suffer from the same causes. It seems impossible for them to secure relief in any other way. Firemen and policemen and teachers can not get food because they can not be paid on account of these delays. So, temporarily, they ought to be relieved. I believe it will only be a temporary matter, for I can not imagine that the great State of Illinois and the great city of Chicago are going permanently to remain in this condition. If they are, and if there is no way to relieve the situation, then we might just as well close up shop and realize that it is only a question of a short time until the entire country will collapse.

Mr. President, if we were moved only by selfish reasons; if we were moved only by the idea that we want to save the country from destruction and from catastrophe—and I think we are probably moved by a higher motive than that, although that is a noble and good motive—but if that were the only consideration involved it would pay us, it seems to me, to stretch forth the hand of relief in this case; to do our share, to do all we can to extend credit to the people of Chicago so that they may again be put on their feet and placed in a respectable condition.

Mr. LEWIS. Mr. President, the Senator from Idaho [Mr. BORAH] desires to address the Senate on this situation. As I observe him making memoranda, I would rather yield to the Senator and close the subject with what I shall have to say in a few moments.

Mr. BORAH. I have not anything to say.

Mr. LEWIS. Mr. President, the Senator from Nebraska [Mr. NORRIS] accurately referred to the fact that this particular amendment, its contents and its meaning, had been frequently referred to on the floor of the Senate. In that he was quite correct, as it was myself who was its author. I do not arise to offer an improvement or addition to the complete presentation made by my colleague, Senator GLENN. I come forward to reinforce by personal knowledge the situations as described by others at an early part of the discussion of the first bill looking to general relief. I tendered the amendment which would give the privilege to lend money to municipalities. This was on my expressed theory that they might remedy the conditions of distress with which they were being cursed. I had conferred with the Senators from New York and California in regard to the matter.

They were cooperating with me. There was a very serious question in the minds of many of the eminent Senators and counselors at law, Members of this body, as to whether we could lend to a municipality direct.

I wish to have it understood by Senators, with whom there is always perfect frankness and respect for confidences, that I had a conference with the President of the United States upon the subject. He very freely expressed the fears which had been expressed to him that if the bill provided for the advancing of money to municipalities, it would soon involve loans to so many cities of America that the moneys would be exhausted; and he intimated something along the line to which the eminent Senator from Nebraska has made some allusion, which the inference of the Senator from Idaho correctly drew from one of his observations—that is, to the method of government which had prevailed corruptly in certain of the municipalities—and he justly alluded to the danger of this money being consumed in the hands of those whose conduct was not altogether commendable in municipal office.

It was finally concluded, however, that such dangers could be avoided if the measure could revive the theory of the advance to the governor of the State, after the order of a bill that had been before this honorable body and well considered by all of its Members, and the governor could be given the authority to advance to these different municipalities, leaving in his judgment the discrimination and the security that could reward the claim of the municipality and meet the call of its distress.

But, sirs, when the bill came forward eminent gentlemen in this body, good lawyers and those of philosophic frame of mind in economic government, feared that the expression "self-liquidating" compelled the loan to the municipality, even though, through the governor, to be only such loan to such locality and division as in itself was self-liquidating. It was esteemed that as a board of education was an institution of learning, or that which directed one, it was not in such commercial creation or commerce production as would present a self-liquidating character of commerce or industry. The present amendment being proposed has for its purpose carrying out the idea that was expressed as in the mind of the President and of this honorable body; yet to remove the doubts expressed by some when the expression to which I have referred was felt necessary to be included in the bill this amendment is now tendered to remove the feared obstruction.

Mr. President, I apologize to the Senate; I know the lateness of the hour—it is now past midnight—but there never was a sudden emergency more serious than this which is now being presented for your consideration. My eminent colleague [Mr. GLENN], who, while he says he is not a resident of Chicago, has his law office there, one of the great law firms—thus he is so well acquainted with the conditions that he speaks with the same information as one residing there a lifelong era at the city. I ask you to note this, and, Senators, I beseech your attention to this thought and query.

What do you think has brought the great city of Chicago to the condition that is being confessed here, similar to that which is afflicting other great cities of your Nation?

Will you sit here silent or blind to the fact and deaf to the truth that the affliction upon this community of my home—this Chicago that has so bountifully honored me—has been laid upon it by the Government? Who put these people in millions out of employment at Chicago; who sent them to the number of 600,000 walking up and down the streets, penniless and pitiful, and now in thousands and thousands, to be found where they lie out upon the soggy earth and sleep with the rains pattering upon their bodies, while their children die beside them, starving for bread; the babes upon the sunken bosoms of mothers, the founts of life dried by want and choked to hardness by chill and dampness of the earth and sky—these babies in numbers to be found dead in the morning because of the failure through inability of the community to extend a charity that could have saved them from the misery that they endured and the agonies of death that tortured them? Did Chicago do this? Did her million of toilers cast themselves out of employment? Was the beggary and misery that is inflicted upon them brought about by their own hand?

These teachers who are now sleeping in the parks, with their educational qualifications fitted for higher and nobler things—were they destined to this unhappy state by conduct of their own? Is it not clear to you that this Government, by the processes through which it has conducted the affairs of our countrymen, has reduced these millions to the beggary where they can not pay the rent of the little habitations which they occupy? The landlord, not receiving the rent for his small premise, is unable to pay the tax to the city; the city, having no tax, therefore, from its property, has no money with which it may pay the salaries of those who toil for it, all of whom are now reduced to the necessity of holding out their hands before the world, crying to their Nation, in the person of this great assemblage, for rescue. Here before this deliberative body they stand in beggary and cry out for charity of their countrymen that they may be saved from starvation and death.

Who has done this thing? Who has laid this community so low that it must stand before the world in pity, in the tears of mankind, or in contempt of the haughty, while it endures the humiliation before the earth?

For a long time there was opposition to an appeal to this body because of that cardinal doctrine of government asserted in divisions which we recognize, of the municipality and the State being severed and separate in their functions of government, the Federal Government to conduct its affairs within itself as should State and city. But, Senators, there is a time when all rules have their exceptions.

The three things are to be brought to your attention, of a very serious nature, justifying the adoption of an exception.

First, here at Chicago is this great aggregation of humanity in the very center of your Republic. The people come from both of your coasts. They have come from every nation of the world, and there in Chicago these collect and in varying forms reside. There is spoken at Chicago every tongue known to civilization. A more varied degree and a larger number of confusing dialects are spoken in the city of Chicago, indicative of the nationalities which prevail there, than exist in any other portion of this earth, or ever have existed during the days of history—paralleled only by the days of old Jerusalem. These people, many of them, have never had a habitation. They are compelled, in these hours of misery, to live in the streets, struggle in hunger, suffer in misery, die in poverty, and to be carried through the streets for burial upon caravans of charity, their bodies to be lost in some distant place where none who shall know them by relation can ever drop a tear upon the bier where their beloved dwell in death.

Gentlemen of the Senate, I ask, what or who brought this deplorable depression upon these people?

Did they bring this disaster upon themselves? Why should any Member of this body cry out upon the technical definitions of government, against the Federal Government coming to the aid of that which it itself inflicted upon these desolated people. It is they who agonize, who now cry out, in their moment of misery, "Behold my estate," they cry, "laid upon me in the very house of my guardian!"

If these school-teachers of Chicago can not be paid, what shall follow; shall we refer to them first? The schools must close in August, and no teaching or guidance of the poor little ones. These little ones, in thousands, have been maintained, sir—hear me—by the teachers, who go hungry to give their little portion to the hungry little ones. These teachers who cry out now that they are hungry and sleeping in the parks yet shall be blessed in the memory of the future generations, for they took the little food that they had, sir, and, denied compensation for services, would drag themselves together, wherever they could, and with the crumbs of life, and feed it to the children whose parents oftentimes they never had known and never hoped to see. Here was the sacrifice that the little ones themselves might be preserved, that they might not die of hunger.

Senators, I am speaking to your attention. I beseech you, I am speaking to you in behalf of children who are helpless; those who are fed by the teachers and maintained in their struggles until the teachers themselves, in hunger for having given up what they had to these helpless children, fall themselves in the public places, starving—to be buried in a pauper's grave.

Is there nothing in this that may appeal to the soul of you as separating the distinction of government which was made in the days of your fathers, when they laid the constitutional fundamentals upon the theory of a successful and prosperous nation?

Now, to the other: Senators, let us face it.

If there shall come the time when again we shall have such a march as we had last week in Chicago, when these teachers paraded up and down the streets demanding something that should give them shelter, and having reached a point so low that the very lowest of that which we speak of in society as "the tramp" was not dropped to the depth to which they had been precipitated—sirs, do you not see that this will be increased by those who shall join them in a great rebelling community such as you know Chicago is and composed of the mystic numbers constituting it? I summon you, then, to reflect on the truth that there is not enough money to pay the officers of law that shall be authorized to maintain the peace. Where will you go for refuge? Shall you carry out the threat of marching the Federal Army into the great city of Chicago, and there have the conflict and precipitate upon your America of another Russia, Austria, Spain? Have you reached the point where, indifferent to this, you are content to bring upon your country the peril which, once started, is as the flame where no hand can quench its fire?

When the eminent Senator from Nebraska and my distinguished friend from Idaho [Senator BORAH] turn to the consideration of the greater question, it is, Shall you preserve yourselves? Do you feel that these predicaments of misery, this unhappy state and condition of destruction, can befall these helpless people without their turning their faces to you to say, "You who have done this thing to me, the Government that my fathers established, that my older fathers died for, at the gates of which my children are being strangled to-day, impoverished in poverty, and dying in hunger, we come to you now to pray you give us but a relief of a temporary surcease of our sorrow and for the night end our agonies; you soon will be repaid by our great Chicago."

First, Senators, who is it that has not paid these taxes that now are said to be in default? Let us reply. It is these master gentlemen, these eminent financiers who speak of themselves as a superior body and allude to us as deficient Senators, as lacking in patriotism and the quality of manhood necessary to a proper measure. Who are they? They are the gentlemen who have put their investments in the untaxed securities of our land, and with their vast stocks and bonds have sealed them up in places where the eye of

the tax collector can not see them or the hand of justice lay its touch against them; and with these millions upon millions that they may hold freed and exempted from paying the just dues to the Government they cheat and swindle humanity out of their rights, because there is no way that you have provided in your Federal Government by which they may be reached and brought to the bar of justice or enforce the tax exactments, nor, sirs, forced to contribute the justice in behalf of these who are paying with hunger and death the penalty of the crimes of these masters. These kings of privilege are those who have been permitted to borrow in millions of dollars for their personal uses in their business needs, yet deny to the starving bread to be bought from money lent by the Government for the rescue of the hungry, the starving, the homeless, and the helpless.

Who are the others of whom we speak—and ask rescue? It is those who lose their all in the loss of their little homes. It is here where the tenants live with the landlord; where, if the landlords are to be ejected by being sold out because they can not pay their taxes, the tenants have only the rains of the heavens of God as their shelter. Here they may slumber and sleep, out in the public places where they may go—until the public hearse takes them to the grave. Already the children are on the sidewalks, the little cots on which they sleep have been there for months, rolled against the doorways or ditches of the sobbing highway. They have no covering with which to shield them. Some of them pass for the night and then for the day, and are dead the following to-morrow. Silence alone is their court of mourning, and this a condition brought on by my Government, your Government, the conditions of your Government, applying too universally, and all threaten as we deplore the dread to-morrows. But let us not forget those for whom we have come with the appeal. They have not put the curse and the affliction on those who ask some little relief. They give you notice that the money is being held up by court decision. You ask why is there no decision. Who is it holding up the courts—let us speak truly—it is these masters who can afford to pay eminent counsel, and, through the different mutations of the courts, from the law's delay, which Hamlet well described, hold on for such a length of time that they can kill off, with the long delay, those who are opposing their encroachments. They it is who are throttling up so long in the courts in final conclusion. They pursue the well-known methods, and now, if it be true that such as they are trying to put in high judges who have done this act on the people through the committee presided over by the eminent Senator from Nebraska, he or anyone else would be justified in his condemnation.

But I ask the question and conclude, in your generous attention to me, in what way do any of these things exempt these people who now pray for deliverance from the relief they ask? Why should they be punished in poverty and with a decree of death to their children, because the systems of government have not been qualified to meet and oppose in the emergency that in the hour bears so heavily on their bent and naked backs?

These teachers who have given all they have had to these little ones of whom they know nothing of family or birth yet try to save by feeding them from their own sunken bosoms with the last drain of life—to these there can come the compensation that is theirs in the proclamation of the Holy Master, saying to all, "Inasmuch as ye have done it unto one of the least of these, ye have done it unto Me."

Therefore, Senators, what we speak for this night is that justice, truly that justice described by the great Cardinal Richelieu, who, opposing his oppressive masters, shouted to mankind, "For justice all seasons summer, all places a temple." Sirs, it is here in this temple we turn to you but for that justice that you can distribute to your countrymen as your fellow Americans, that they may turn in gratitude to you and, repaying you fully in compensation for all they have gathered from you, will bless you as those who saved them as Americans. It is these we present to you before all the children of all the earth. This justice which these pray from you is one they will receive in grateful acknowledgment and which, by your generosity, they are saved and in your sense of justice they are guaranteed to remain to preserve your Nation in turn for your preservation and salvation of these deserving and noble sufferers—your fellow Americans!

Mr. WALSH of Massachusetts. Mr. President, I am sure every Senator here sympathizes with the situation described in the city of Chicago. What troubles me about this amendment is the precedent. My own State of Massachusetts has had one city in exactly the same plight as Chicago—the city of Fall River. It became necessary for the State government to take over the financing of that city some three years ago. The affairs of that city—a city of over 100,000 inhabitants—have been conducted by a board of officials named by the governor of the State, and the State has loaned its financial credit to the city, and the city is now, notwithstanding the serious depression, on the way to a sound financial position. Three to five other cities are in exactly the same situation, and there have constantly been rumors that similar action would have to be taken in regard to those cities.

I also have heard, and do continue to hear from time to time, of the steady decline in the receipts of taxes in the industrial communities in my State. Many of the communities have been unable to collect from the assessments of last year more than 60 or 70 per cent of their revenues. If the situation continues, the State will undoubtedly have to assume the financing of the affairs of a number of municipalities.

Mr. President, I inquire who are these officials of the city of Chicago who are unpaid? School-teachers, firemen, and policemen. They are not officials of Chicago; they are officials of the State of Illinois. The State of Illinois delegates to municipalities the power to preserve order, and to name policemen, and the power and authority to educate children and to name school-teachers.

Mr. GLENN. Mr. President, then they are officers of the Federal Government, because the Federal Government has that power over the State.

Mr. WALSH of Massachusetts. No; the Federal Government has no power to regulate education and has no power to regulate order within the States.

Mr. GLENN. It has no power to regulate order?

Mr. WALSH of Massachusetts. It has no power to prevent crimes in the State of Illinois, except crimes coming under the prohibition law. That is the only class of crimes in which the Federal authorities could interfere in the administration of justice in Illinois.

Mr. GLENN. Does the Senator mean to say that the Federal Government has no power to regulate order in this country?

Mr. WALSH of Massachusetts. I say that the responsibility for preserving order is delegated by the State governments to municipalities, and that a police officer is an official of the State.

Mr. GLENN. On that theory a police officer is an official of the Federal Government, because the Federal Government has the necessity of preserving order in this country, and they will be in Chicago, possibly. They have been there before. They were there during the great period when Grover Cleveland was President, during the great distress of that time, and I am afraid, and that is the reason I am here to-night, not because I want to be here in this position, but asking the Senate not to save Chicago or Illinois but to save the United States. There are likely to be Federal troops in there doing the very thing which the Senator from Massachusetts says they have no right to do—preserving order.

Mr. WALSH of Massachusetts. If the police force of the city of Chicago goes on strike, it is the responsibility of the State government to see that other policemen are sent in there. The State delegates authority to subdivisions to carry on the work of the State. It gives them a charter for that purpose. These are State functions, the officers are State officials, and the State has the responsibility for the finances,

and order, and taxes, and every other activity of the subdivision.

Mr. GLENN. This is going beyond the State. If the ideas of the people here yesterday are realized—and we hope they will not be—I am telling you to-night that a great riot can not be started in Chicago or a revolution started there that will not spread beyond State lines, spread from Chicago into Indiana, and on East. Detroit is afire, almost, with the same feeling.

Mr. WALSH of Massachusetts. I am sorry to say that I think the Senator exaggerates the situation, and does not really interpret the people of his State. I do not believe there is any revolution developing or growing in any community in this country. To me the astounding feature during this whole depression has been the patience, the orderly manner, and the fine spirit the depressed, unemployed American people have manifested during all of these trying circumstances.

Mr. GLENN. The relation which I make of the fact is not mine, but is simply one coming from the mayor of the city of Chicago, intimately associated with all these activities, and from members of the various bodies appointed by the Governor of Illinois, from both political parties. They tell me this is a real, genuine crisis. Perhaps they are wrong, I hope they are, but it will not be confined to any one State if it starts.

Mr. WALSH of Massachusetts. There is distress in my State, and there are people there who are in great need and great want, who are sacrificing tremendously, but there is not a murmur or a scintilla of revolution or disorder or discontent.

Mr. BORAH. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH of Massachusetts. I yield.

Mr. BORAH. Will the Senator yield to me to make a motion for a recess until to-morrow at 11 o'clock?

Mr. WALSH of Massachusetts. May I finish? Then I will yield the floor. I would like to finish. All I have to say is just one sentence, to state the purpose of my rising at this time.

I wanted to prevent any precedent being established here that would come back to haunt us in the future. Therefore I propose, if the amendment is to be voted, that the word "State" be inserted in the fourth from the last line after the word "such." This amendment would give authority to the Reconstruction Finance Corporation to make loans to any State for certain purposes, "if in the opinion of the board of directors of the corporation such municipalities," and so forth. I propose to insert the word "State."

If the State of Illinois is willing to confess publicly to the whole country that it is unable to finance this situation, then I concede that the Federal Government probably has a responsibility, but I do not concede that because a municipality like Fall River, Mass., or Chicago, Ill., gets into such a financial condition that it can not raise money it should come to the Federal Government for a loan. It must first go to its own State government. The State has that responsibility, I repeat. The State must take over the administration of affairs. The State must take over the financing and first try to straighten the finances out and try to lend its credit to the city and help it. If that fails, if the State is unable to do it, then here is the place to come, I concede, because we can not have these riots which are predicted, or starvation, in Illinois. But the amendment only provides that if a municipality is not able to raise the money, then the board shall lend the money to the State for this purpose. I ask the eminent Senator in charge whether he would be willing to have "State" inserted?

Mr. LEWIS. Mr. President, I would like to have the amendment left on the table until to-morrow when we will resume.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator from Idaho persist in his determination to make a motion to take a recess?

Mr. BORAH. If the Senator has some suggestion to make, I will withhold the motion.

Mr. ROBINSON of Arkansas. I feel that we ought at least be able to reach an agreement to limit debate on this bill and on amendments hereafter offered.

Mr. BORAH. I should think so.

Mr. ROBINSON of Arkansas. I ask unanimous consent that in the event the consideration of the bill shall not be concluded to-night, during the further consideration of the bill no Senator shall speak more than once or longer than 10 minutes on the bill or any amendment thereto.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I think we all share the hope that we may get a final vote this evening. So far as I am informed, there are only one or two more amendments to be offered, which, I think, will be briefly presented. We have remained here until 12 o'clock, and a few more minutes will work great advantage if we can dispose of the bill. If we go on to-morrow, I am afraid there will be further discussion, and I think that at present I should object to the unanimous-consent request.

Mr. ROBINSON of Arkansas. Mr. President, my reason for suggesting the unanimous consent in the form in which I presented it was to avert the condition which may arise in the event the Senator from Idaho persists in his motion and the motion should carry. If consent were granted, we would then resume consideration of the bill to-morrow under a limitation of debate. I think it is a sound, sensible thing to do. Here is what will happen: We will come back here to-morrow fresh and invigorated, and we will discover that a number of new amendments may be proposed. We will debate them without limit. Then to-morrow evening we will be in almost the same situation in which we find ourselves to-night. I do not think anyone here objects to the proposal except the Senator from Oregon.

Mr. McNARY. Mr. President, this is my position: If we are going over until to-morrow, I certainly would want some understanding as to limitation of debate.

Mr. ROBINSON of Arkansas. We can not get it if the Senate votes a recess.

Mr. McNARY. I appreciate that, but I say I hope we can continue here to-night, and I think if we do we can finish the bill in a very short time.

Mr. BORAH. Mr. President, if the Senator can secure a unanimous-consent agreement now to limit debate to five minutes upon the part of Senators, I shall not make my motion.

Mr. ROBINSON of Arkansas. I ask unanimous consent that during the further consideration of the bill no Senator shall speak more than once nor longer than five minutes on the bill or any amendment thereto.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

The unanimous-consent agreement was reduced to writing as follows:

Ordered, by unanimous consent, That during the further consideration of the pending bill (H. R. 12445) no Senator may speak more than once or longer than five minutes on the bill or on any amendment thereto.

The VICE PRESIDENT. The question is on the amendment of the Senator from Illinois [Mr. LEWIS] to the amendment of the committee.

Mr. WALSH of Massachusetts. Mr. President, is not the Senator willing to insert the word "State" before the word "municipalities"?

Mr. LEWIS. Mr. President, in reply to the Senator from Massachusetts I wish to assert that I would like to have the proposition of my proposed amendment go over until to-morrow in order that I may have time to consider his suggestion.

Mr. WALSH of Massachusetts. But we are to go ahead to-night.

Mr. LEWIS. Oh, is it the purpose to continue to-night? I thought my eminent friend had moved a recess. Then, so far as I am concerned, I will adopt the suggestion of the Senator from Massachusetts, if that removes the objection, because I am anxious to have some action on it.

The VICE PRESIDENT. The Senator modifies his amendment.

Mr. JONES. Mr. President, I thought the suggestion was that we should get an agreement to limit debate and then recess until to-morrow.

SEVERAL SENATORS. Oh, no!

Mr. JONES. Otherwise I would have objected, so far as that is concerned. I have an amendment I want to offer. I was willing to agree to a 5-minute limitation of debate, but I would like to have a little time to explain my amendment. It seems to me that we ought to recess now until to-day at 11 o'clock. I am going to move that we recess until 11 o'clock this morning.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington. (Putting the question.) The noes seem to have it.

Mr. JOHNSON. Let us have the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The noes have it, and the motion is rejected. The question now is on the modified amendment of the Senator from Illinois [Mr. LEWIS].

The amendment to the amendment was rejected.

Mr. SHEPPARD. Mr. President, I offer an amendment to the House text. I am sure there will be no objection, because it strikes out a provision for a public building.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. The Senator from Texas proposes to amend the House text by striking out, on page 42, line 6, the words "Seguin, post office".

The amendment was agreed to.

Mr. HARRISON. Mr. President, I have an amendment I want to offer, and I will make a very brief explanation. Some three days ago I offered the amendment.

The VICE PRESIDENT. Let the amendment be reported.

The CHIEF CLERK. On page 103, after line 13, insert the following new section:

SEC. —. (a) The Reconstruction Finance Corporation is authorized and empowered to make advances to any State on the security of the bonds of such State, and on such terms and conditions as the corporation deems advisable, for educational or hospitalization purposes within such State.

(b) For the purpose of providing funds for carrying out the provisions of this section the Reconstruction Finance Corporation is authorized and empowered to issue its notes, bonds, debentures, or other such obligations in an aggregate amount of not to exceed $200,000,000. Such notes, bonds, debentures, or other such obligations shall, so far as practicable, be issued in the same manner and be subject to the same terms and conditions as the notes, bonds, debentures, or other such obligations issued pursuant to section 9 of the Reconstruction Finance Corporation act.

The VICE PRESIDENT. The question is on the amendment of the Senator from Mississippi.

Mr. HARRISON. The other day I offered this amendment and withdrew it upon the objection of some who were directing the bill through the Senate with the understanding that it would be offered at the same time the Senator from New York [Mr. WAGNER] would offer as an amendment the bill which we passed the other day authorizing $300,000,000 for relief work to be extended to the States.

It will be recalled that when the Reconstruction Finance Corporation bill was being considered, an amendment quite similar to this was first adopted by the Senate. Then some effort was made to broaden it and we included counties and cities and drainage districts, and then the whole provision was eliminated from that bill. There are certain States where it is impossible, because of market conditions, to sell the State bonds. Certainly the Government would not lose anything by the proposition. I have limited the amendment, reducing the amount from $300,000,000 to $200,000,000, and limiting it to educational and hospitalization purposes. I hope those in charge of the pending measure will accept the amendment.

Mr. NORRIS. Mr. President, we now see the predicament we are in on account of the foolish agreement into which we entered just a few moments ago. There are two sets of Senators, one who thought the unanimous-consent proposal meant one thing and one who thought it meant another. I quite agree with the Senator from Washington [Mr. JONES]. The agreement was entered into under a misunderstanding. Now we are presented, at 5 minutes after 12 o'clock midnight, with an amendment that involves, as I take it from its reading, $200,000,000 or $300,000,000. It may be the best amendment that has been offered to the bill, but we are to consider it at this time after we have been in session 13 steady hours—and this is the Senate of the United States! This is efficiency! This is the kind of combination now that is on between the Senator from Oregon [Mr. MCNARY] and his allies on the other side to keep us here all night, perhaps, in order to carry out the command of somebody in the White House.

We are in this predicament now, and we have to go through with it and vote on amendments like this when an eighth-grade schoolboy would know better than to consider things of this importance under that kind of an agreement at this time in the night when we have been in session here steadily for 13 hours. We are expected to legislate; it is expected that we will adjourn on Saturday; and yet here we have before us a most important bill, perhaps the most important bill that has been here during the session. We are now considering amendments. I am not finding fault with the Senator from Mississippi. I am not objecting to his amendment. I do not know what it is. Nobody else knows what it is. The Senator from Mississippi can not tell us in five minutes what it is, and he is not allowed any more time. That is the way we are now asked to legislate.

Mr. BORAH. Mr. President, there was no agreement about the matter of going ahead to-night, except that I said I would not make the motion to recess if we could obtain a limitation of debate.

Mr. PITTMAN. Mr. President, I thought we had debated for several days the limitation on the lending of money through this bill to States, counties, and municipalities. It was entirely limited to certain projects. It does not include loans to States as proposed by the Senator from Mississippi. We have voted that down time and again, and we will vote it down now without any further debate.

Mr. HARRISON. Mr. President, have I used all of my five minutes?

The VICE PRESIDENT. The Senator has spoken once, and under the unanimous-consent agreement he may not speak again.

Mr. ASHURST. Mr. President, I wish to ask the Senator from Mississippi a question. I want to know what his amendment is about.

The VICE PRESIDENT. The Senator can not give the Senator from Mississippi the floor in that way.

Mr. ASHURST. I want to know what the amendment is about, and I have a right to ask the Senator from Mississippi what his amendment concerns.

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. The Senator from Wisconsin is recognized.

Mr. ASHURST. I respectfully insist that I ought to be heard for a moment.

Mr. LA FOLLETTE. I do not want this taken out of my time.

Mr. ASHURST. The Senator from Wisconsin has not the floor.

Mr. LA FOLLETTE. I was recognized by the Chair.

Mr. ASHURST. I ask that the amendment be read.

The VICE PRESIDENT. The Chair has recognized the Senator from Wisconsin.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ASHURST. What is before the Senate?

The VICE PRESIDENT. The amendment of the Senator from Mississippi.

Mr. ASHURST. Let it be read.

The VICE PRESIDENT. It will be read at the proper time.

Mr. ASHURST. Oh, we will talk about it first and then have it read!

The VICE PRESIDENT. The Senator from Wisconsin has been recognized.

Mr. LA FOLLETTE. Mr. President, I wish to appeal to leaders on both sides of the Chamber to consider the bill and

the amendments which are going to be offered to it with the deliberation which should characterize legislation of this importance. It is all very well to say that Senators should not speak longer than five minutes on any amendment unless we know positively that there are no important amendments yet to be presented. The amendment offered by the Senator from Mississippi [Mr. HARRISON] should not be voted up or down in this Chamber without an opportunity being given to Senators to know what is involved in it. I say, furthermore, that so far as I am concerned I am not going to vote for the bill, with a lot of important amendments to be attached to it to-night under any such limitation of debate as has been entered into to-night, without knowing what is in the bill. We are extending great powers to the Reconstruction Finance Corporation under the terms of the bill. It is proposed to force Senators to choose between voting for or against the measure without knowing what is in it. I say it is disgraceful for the Senate to proceed in this manner with legislation of this importance.

The VICE PRESIDENT. Let the amendment be read. The Senate will please be in order so that the reading of the amendment may be heard.

The CHIEF CLERK. The Senator from Mississippi offers the following amendment:

On page 103, after line 13, insert the following new section:

"SEC. —. (a) The Reconstruction Finance Corporation is authorized and empowered to make advances to any State on the security of the bonds of such State, and on such terms and conditions as the corporation deems advisable, for educational or hospitalization purposes within such State.

"(b) For the purpose of providing funds for carrying out the provisions of this section the Reconstruction Finance Corporation is authorized and empowered to issue its notes, bonds, debentures, or other such obligations in an aggregate amount of not to exceed $200,000,000. Such notes, bonds, debentures, or other such obligations shall, so far as practicable, be issued in the same manner and be subject to the same terms and conditions as the notes, bonds, debentures, or other such obligations issued pursuant to section 9 of the Reconstruction Finance Corporation act."

Mr. TRAMMELL obtained the floor.

Mr. REED. Mr. President, will the Senator from Florida yield to enable me to move a recess?

Mr. TRAMMELL. I have only five minutes.

Mr. REED. Would not the Senator prefer to take his five minutes in the morning?

Mr. TRAMMELL. If the Senator desires to make a motion to recess, I will yield for that purpose.

Mr. ASHURST. Mr. President, before the motion is made, I desire to apologize to the Chair for the apparent though not real disrespect shown a few moments ago.

The VICE PRESIDENT. The Chair appreciates fully the attitude of the Senator from Arizona.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. In the event a motion is made to recess and it should carry, would the limitation of debate continue through to-morrow?

The VICE PRESIDENT. That is the judgment of the Chair.

ADDITIONAL REPORT OF A COMMITTEE

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma, reported it with amendments and submitted a report (No. 873) thereon.

ADDITIONAL BILL INTRODUCED

Mr. HOWELL introduced a bill (S. 4926) for the relief of the Washington Post Co. (with an accompanying paper); which was read twice by its title and referred to the Committee on Claims.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL

Mr. McKELLAR submitted an amendment intended to be proposed by him to House bill 12443, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 2, after line 11, insert the following:

"For payment to the widow of Edward E. Eslick, late a Representative from the State of Tennessee, $10,000."

RECESS

Mr. McNARY. In view of the present situation, if it is agreeable to those present, I move that the Senate take a recess until 12 o'clock noon.

The motion was agreed to; and the Senate (at 12 o'clock and 15 minutes a. m.) took a recess until 12 o'clock meridian to-day, Thursday, June 23, 1932.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 22, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Lord and our God, teach us that wisdom which shall enable us to be foremost for truth, for fidelity, for manliness and honor. We pray that these may be the poetry and music of our lives. So direct us that we may inspire rectitude in public sentiment in more views of human rights; may we strive to be associated with those great principles and always ambitious to contribute some great good to society. Give us faith of the future that shall triumph over things seen—the mistakes, the misfortunes which severely wound men. O Master, may we follow Thee, the divine ideal, the safest rule of conduct, the master impulse of the best and highest life, and the surest ground of our eternal hope. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Vice President had appointed Mr. COPELAND as a conferee on the part of the Senate on the bill (H. R. 11361) making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1933, and for other purposes, vice Mr. GLASS, excused.

ACHIEVEMENTS OF THE PRESENT SESSION OF THE HOUSE OF REPRESENTATIVES

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to extend in the RECORD a short address that I hope to deliver to-night over the radio.

The SPEAKER. Is there objection?

Mr. SNELL. I did not hear what the gentleman said, but I think it is all right.

Mr. BANKHEAD. It is an answer to a few remarks my friend from New York made at Chicago. [Laughter.]

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, which I expect to deliver over the radio this evening:

The Republican National Convention at Chicago has met and adjourned. It adopted a platform so specious and indefinite in all of its planks affecting the public interest that it is not surprising that Senator BORAH upon the floor of the Senate on Monday, made the solemn declaration that "the Republican platform had fallen dead at the feet of the people." It is my purpose to-night to discuss only one phase of the developments at the Republican convention.

If any of you listened in over the radio to the speech of Senator DICKINSON, the key-noter, or to the speech of permanent chairman, Congressman SNELL, you will recall that they both undertook to convince the American people that the Democratic Party was not capable of constructive leadership and cited to support that contention by the activities of the present Democratic House of Representatives in the session now drawing to a close. It is my purpose to-night, as far as it is possible in the limited time, to tell the truth to at least a portion of the American people with reference to the achievements of the present session of the House of Representatives.

It will be recalled that the Democrats only have a majority of five or six in the House, and only a few defections from our ranks make it impossible to control all actions in the House. It will be conceded that from a patriotic standpoint it was the duty of the House Democrats when the session first met to cooperate as far as possible with the urgent recommendations of the President on his emergency program.