By Mr. ROBERTSON: A bill (H.R. 3482) for the relief of Samuel Irick; to the Committee on Invalid Pensions.

By Mr. SADOWSKI: A bill (H.R. 3483) for the relief of Anthony Nowakowski; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H.R. 3484) granting an increase of pension to Margaret Gallacher Simpson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3485) granting a pension to John Wesley Smailes; to the Committee on Pensions.

Also, a bill (H.R. 3486) granting a pension to Sarah M. Williams; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3487) for the relief of Richard H. Bowman; to the Committee on Military Affairs.

Also, a bill (H.R. 3488) granting a pension to William B. Mullins; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3489) granting an increase of pension to Nancy Rollyson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3490) granting a pension to Alice B. Cook; to the Committee on Pensions.

Also, a bill (H.R. 3491) for the relief of Louis C. Runyon; to the Committee on Military Affairs.

Also, a bill (H.R. 3492) for the relief of Harry C. Anderson; to the Committee on Military Affairs.

By Mr. SOMERS of New York: A bill (H.R. 3493) granting an increase of pension to Georgiana Furey; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3494) to correct the naval record of Francis T. Cavanagh; to the Committee on Naval Affairs.

Also, a bill (H.R. 3495) to change the military record of Harry Lewis; to the Committee on Military Affairs.

Also, a bill (H.R. 3496) for the relief of Frank J. Kenny; to the Committee on Naval Affairs.

Also, a bill (H.R. 3497) for the relief of James Dillon; to the Committee on Military Affairs.

Also, a bill (H.R. 3498) for the relief of Peter Burns; to the Committee on Military Affairs.

Also, a bill (H.R. 3499) for the relief of the Union Shipping & Trading Co., Ltd.; to the Committee on War Claims.

Also, a bill (H.R. 3500) to correct the military record of Everett S. Pillion; to the Committee on Military Affairs.

Also, a bill (H.R. 3501) for the relief of Edward Brooks; to the Committee on Naval Affairs.

Also, a bill (H.R. 3502) for the relief of the estate of William Bardel; to the Committee on Claims.

Also, a bill (H.R. 3503) granting a pension to James Dillon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3504) for the relief of Jose O. Enslew; to the Committee on Claims.

Also, a bill (H.R. 3505) for the relief of William Rogers; to the Committee on Naval Affairs.

By Mr. THOMASON of Texas: A bill (H.R. 3506) for the relief of Arthur DeWitt Locke; to the Committee on Naval Affairs.

By Mr. THURSTON: A bill (H.R. 3507) for the relief of W. G. Wood; to the Committee on Claims.

Also, a bill (H.R. 3508) for the relief of William N. Fishburn; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H.R. 3509) for the relief of Catherine Wright; to the Committee on Claims.

PETITIONS, ETC.

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

53. By Mr. AYERS of Montana: Memorial of the Legislature of the State of Montana, memorializing Congress to enact legislation reducing the rate of interest required to be paid on loans made by the Reconstruction Finance Corporation in aid of industries; to the Committee on Banking and Currency.

54. By Mr. CUMMINGS: Petition of the Board of Aldermen of Denver, Colo., urging that a law be passed providing for the free and unlimited coinage of silver on a correct ratio with gold; to the Committee on Coinage, Weights, and Measures.

55. Also, petition in the nature of a senate joint memorial of the Colorado Legislature, urging enactment of the Frazier bill, providing for existing farm indebtedness; to the Committee on Agriculture.

56. Also, petition signed by Louise S. Booth and other members of the Woman's Christian Temperance Union of Sterling, Colo., urging the enactment of a law which will establish a Federal motion-picture commission; to the Committee on Education.

57. By Mr. JOHNSON of Texas: Senate Concurrent Resolution No. 24 of the Senate of Texas, favoring a greater use of granite in Federal construction; to the Committee on Public Buildings and Grounds.

58. By Mr. LINDSAY: Petition of the National Association of Railroad and Utilities Commissioners, New York City, urging support of the Johnson bill; to the Committee on Interstate and Foreign Commerce.

59. Also, petition of S. Winterbourne & Co., varnish manufacturers, New York City, favoring passage of House bill 235; to the Committee on Expenditures in the Executive Departments.

60. Also, petition of Valentine & Co., varnish manufacturers, New York City, favoring House bill 235; to the Committee on Expenditures in the Executive Departments.

61. By Mr. LLOYD: Memorial of the White Center Local Unemployed Citizens' League of the State of Washington, calling attention to the deprivations faced by members of that league and indorsing the program set forth by President Roosevelt in his inaugural address; to the Committee on Ways and Means.

62. By Mr. MORAN: Petition of citizens of Somerset County, Me., favoring legislation providing for the revaluation of the gold ounce; to the Committee on Banking and Currency.

63. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, relating to agricultural relief and urging Congress to promptly enact the definite pledges for agricultural relief as set forth in the Democratic national platform; to the Committee on Agriculture.

64. Also, memorial of the Legislature of Wisconsin, seeking protection for American producers of wood pulp against unfair competition of foreign producers brought about largely by the depreciation of foreign currencies; to the Committee on Interstate and Foreign Commerce.

65. Also, memorial of the Legislature of the State of Wisconsin, advocating a reduction of officers' retirement pay so that no such payment shall be allowed officers receiving an income of $4,800 or in excess thereof, the saving resulting from such reduction to be disbursed among unemployed and needy veterans; to the Committee on Military Affairs.

66. By Mr. RUDD: Petition of Valentine & Co., New York City, favoring the discontinuance of the manufacture of paints and varnishes in Government navy yards; to the Committee on Expenditures in the Executive Departments.

67. By Mr. THOMASON of Texas: Petition of Texas Senate, urging greater use of granite in Federal construction; to the Committee on Public Buildings and Grounds.

68. Also, petition of the Senate of Texas, asking that Fort D. A. Russell at Marfa, Tex., be regarrisoned; to the Committee on Military Affairs.

SENATE

WEDNESDAY, MARCH 15, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

BURTON K. WHEELER, Senator from the State of Montana, appeared in his seat today.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Bailey	Black	Brown
Ashurst	Bankhead	Bone	Bulkley
Austin	Barbour	Borah	Bulow
Bachman	Barkley	Bratton	Byrd

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Byrnes	Gore	McGill	Sheppard
Capper	Hale	McKellar	Smith
Caraway	Harrison	McNary	Steiwer
Clark	Hastings	Metcalf	Stephens
Connally	Hatfield	Murphy	Thomas, Okla.
Copeland	Hayden	Neely	Thomas, Utah
Couzens	Hebert	Norbeck	Townsend
Dale	Johnson	Nye	Trammell
Dickinson	Kean	Overton	Tydings
Dieterich	Keyes	Patterson	Vandenberg
Dill	La Follette	Pittman	Van Nuys
Duffy	Lewis	Pope	Wagner
Fess	Logan	Reed	Walcott
Fletcher	Lonergan	Reynolds	Walsh
Frazier	Long	Robinson, Ark.	Wheeler
George	McAdoo	Robinson, Ind.	White
Goldsborough	McCarran	Russell	

Mr. HEBERT. I desire to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Wyoming [Mr. CAREY] are detained from the Senate, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

Mr. WALSH. I wish to announce that my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] is absent owing to a death in his family.

Mr. LEWIS. Please let me announce that the Senator from Colorado [Mr. COSTIGAN], the Senator from Utah [Mr. KING], and the Senator from Virginia [Mr. GLASS] are detained from the Chamber by personal illness. I wish this announcement to stand for the day.

I also wish to announce that the Senator from Wyoming [Mr. KENDRICK] is absent, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

Mr. REED. My colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily detained from the Senate by reason of illness.

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

THE JOURNAL

Mr. ROBINSON of Arkansas. Mr. President, for the convenience of the Journal clerk and others at the desk, I ask that the reading of the Journal for the calendar days of Monday, March 13, and Tuesday, March 14, be dispensed with, and that the Journal for those days be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Journal is approved for the 2 calendar days.

MEMBER OF THE FEDERAL RADIO COMMISSION

Mr. DILL. Mr. President, out of order and as in executive session, I ask unanimous consent to report from the Committee on Interstate Commerce the nomination of Eugene O. Sykes, of Mississippi, to be a member of the Federal Radio Commission.

Mr. REED. Mr. President, may I inquire if this is a reappointment?

Mr. DILL. It is a reappointment.

The VICE PRESIDENT. Is there objection? The Chair hears none. The nomination will go to the Executive Calendar.

AMENDMENT OF THE VOLSTEAD ACT—REPORT OF FINANCE COMMITTEE

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, reported it with amendments and submitted a report (No. 3) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. FRAZIER:

A bill (S. 457) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Federal farm-loan system, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same; to the Committee on Agriculture and Forestry.

By Mr. HALE:

A bill (S. 458) for the relief of Lyman I. Collins; to the Committee on Military Affairs.

A bill (S. 459) for the relief of Thomas A. Sears; to the Committee on Naval Affairs.

A bill (S. 460) granting a pension to Elsie Blanchard;

A bill (S. 461) granting a pension to Hannah Collins;

A bill (S. 462) granting a pension to William M. Forrest;

A bill (S. 463) granting a pension to Nellie Fredericks;

A bill (S. 464) granting a pension to Lillian M. Johnson;

A bill (S. 465) granting a pension to Martha W. Keeler;

A bill (S. 466) granting a pension to Nellie B. Leighton;

A bill (S. 467) granting a pension to Angie L. Moulton;

A bill (S. 468) granting a pension to Roy M. Osborne;

A bill (S. 469) granting a pension to Alice L. Preston;

A bill (S. 470) granting a pension to Warren A. Small;

A bill (S. 471) granting an increase of pension to Elizabeth Burrell;

A bill (S. 472) granting an increase of pension to Clara A. Colby;

A bill (S. 473) granting an increase of pension to Mary Coles;

A bill (S. 474) granting an increase of pension to Susie D. Hanscome;

A bill (S. 475) granting an increase of pension to Mary M. Joy;

A bill (S. 476) granting an increase of pension to Frances V. Morrill;

A bill (S. 477) granting an increase of pension to Julia L. Morrison;

A bill (S. 478) granting an increase of pension to George Neill;

A bill (S. 479) granting an increase of pension to Joanna A. Small;

A bill (S. 480) granting an increase of pension to Josie M. Smart;

A bill (S. 481) granting an increase of pension to Charlotte W. Stevens;

A bill (S. 482) granting an increase of pension to Margaret Thompson;

A bill (S. 483) granting an increase of pension to Martha L. Trefethen;

A bill (S. 484) granting an increase of pension to Mary G. Walsh; and

A bill (S. 485) granting an increase of pension to James D. Wilder; to the Committee on Pensions.

Mr. COPELAND:

A bill (S. 486) for the relief of the owners of the barge *Consolidation Coastwise No. 24;*

A bill (S. 487) for the relief of the owner of the barge *Consolidation Coastwise No. 10;*

A bill (S. 488) for the relief of Norman Beier;

A bill (S. 489) for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N.Y.; and

A bill (S. 490) for the relief of certain Army officers whose household and other effects were damaged on Government property; to the Committee on Claims.

By Mr. DILL:

A bill (S. 491) to require the employment of American citizens on observation cars, club cars, dining cars, and sleeping cars used by railroads in interstate commerce; to the Committee on Interstate Commerce.

A bill (S. 492) to fix the date of meeting for the second session of Congress; to the Committee on the Judiciary.

A bill (S. 493) to protect labor in its old age; to the Committee on Pensions.

By Mr. McGILL:

A bill (S. 494) granting an increase of pension to Catherine E. Elliott; and

A bill (S. 495) granting an increase of pension to Nancy McAllister; to the Committee on Pensions.

A bill (S. 496) for the relief of Percy C. Wright; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 497) to define the intent of the antitrust laws as to certain agreements; to the Committee on Interstate Commerce.

By Mr. NORBECK:

A bill (S. 498) to repeal section 2 of chapter 333, Forty-fifth Statutes; to the Committee on the Judiciary.

By Mr. DILL:

A joint resolution (S. J. Res. 22) proposing an amendment to the Constitution of the United States authorizing Congress to take private property for public use during time of war with or without compensation; to the Committee on the Judiciary.

By Mr. CAPPER:

A joint resolution (S.J.Res. 23) providing that it shall be unlawful, unless otherwise provided by act of Congress or by proclamation of the President, to export to any country violating the terms of the pact of Paris arms, munitions, implements of war, or other articles for use in war, or make any such trade or financial arrangements with the violating country or its nationals as in the judgment of the President may be used to strengthen or maintain the violation; to the Committee on Foreign Relations.

AMENDMENT OF VOLSTEAD ACT—AMENDMENT RELATING TO THE DISTRICT OF COLUMBIA

Mr. TYDINGS. Mr. President, I submit an amendment intended to be proposed by me to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, which I ask may lie on the table, be printed, and printed in the RECORD, so that Senators may see it. It applies to the District of Columbia.

There being no objection, the amendment was ordered to lie on the table, to be printed, and printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. TYDINGS to the bill (H.R. 3341) to provide revenue by the taxation of certain nonintoxicating liquor, and for other purposes, viz: at the end of the bill to insert the following new section:

"SEC. —. (a). The term 'beverages' as used in this section shall include beer, lager beer, ale, porter, and other brewed or fermented beverages containing one half of 1 percent or more of alcohol by volume but not more than 3.2 percent of alcohol by weight.

"(b) The Commissioners of the District of Columbia are authorized to issue licenses to persons, firms, corporations, or associations on application duly made therefor for the sale of beverages within the District of Columbia, subject, however, to the limitations and restrictions imposed by this section. The Commissioners shall keep a full record of all applications for licenses, of all recommendations for and remonstrances against the granting of licenses, and of the action taken thereon. The Commissioners may employ such clerical and other assistants as may be necessary to properly inspect and supervise the operations of licensees under this section. The salaries and expenses incident to such work shall be fixed by the Commissioners and paid from the funds arising from license fees under this section.

"(c) It shall be lawful for any brewer or manufacturer to brew within the District of Columbia and sell to licensees any beverage or beverages authorized to be manufactured or brewed by the laws of the United States of America.

"(d) Any person, firm, corporation, or association desiring a license for the sale of beverages under this section shall file with the Commissioners of the District of Columbia an application therefor in such form as the Commissioners may prescribe. The application shall designate the kind of license desired. Before the license is issued the Commissioners shall satisfy themselves of the moral character and financial responsibility of the applicant, appropriateness of the location where such licensed business is to be conducted, taking into consideration the number of such licenses already issued, and generally as to the applicant's fitness for the trust to be reposed. Before any license is issued under this section the Commissioners shall determine the whole number of licenses to be issued within the District. Each license shall designate the place of business of the licensee. Each application for a license shall contain:

"First. The name and residence of the applicant and how long he has resided within the District of Columbia.

"Second. The particular place for which a licene is desired, designating the same by street and number, if practicable, if not, by such other apt description as definitely locates it.

"Third. The name of the owner of the premises upon which the business licensed is to be carried on.

"Fourth. A statement that the applicant is a citizen of the United States and not less than 21 years of age, and that such applicant has never been convicted of a felony or been adjudged guilty of violating the laws governing the sale of intoxicating liquors or for the prevention of gambling in the District of Columbia.

"Fifth. This application must be verified by the affidavit of the petitioner made before a notary public or other person duly authorized by law to administer oaths. If any false statement is made in any part of said application, the applicant or applicants shall be deemed guilty of perjury, and upon conviction thereof the license shall be revoked and the applicant subjected to the penalties provided by law for that crime.

"Sixth. That the applicant is not the owner of or licensee named in any license then in force.

"Seventh. That he intends to carry on the business authorized by the license for himself and not as an agent of any other person and that if licensed he will carry on such for himself and not as the agent for any other person.

"Eighth. That the applicant intends to superintend in person the management of the business licensed and that if so licensed he will superintend in person the management of the business.

"(e) Licenses issued under authority of this section shall be of two kinds: (1) 'On sale' licenses, which shall permit the licensee to sell beverages for consumption on the premises only; and (2) 'off sale' licenses, which shall permit the licensee to sell beverages in original packages for consumption off the premises only.

"(f) All applicants for 'on sale' licenses shall pay to the District of Columbia a license fee of $100 per annum, the same to be paid before the license is issued. 'Off sale' license fees shall be $25 per annum, payable in like manner. Each kind of license shall be good for 1 year from its date unless sooner revoked by the Commissioners of the District of Columbia.

"(g) 'On sale' licenses shall be granted only to bona fide restaurants, incorporated clubs, and/or hotels. 'On sale' licensees may serve beverages to bona fide guests only, to be consumed at regular public tables, or, in case of hotels, may be served in guests' rooms. It shall be the duty of the Commissioners to have frequent inspections made of premises of 'on sale' licensees and if it is found that any such licensee is violating any of the provisions of this section or the regulations of the Commissioners promulgated hereunder or is failing to observe in good faith the purposes of the section, such license may be revoked after the licensee is given an opportunity to be heard in his defense.

"(h) There shall be levied and collected from each licensee by the District of Columbia on all beverages sold within said District as authorized by this section a tax of $1.20 for every barrel containing not more than 31 gallons, and a like rate for any other quantity or fractional part. Said tax shall be paid on or before the 15th day of each month for beverages sold to or purchased by the licensee during the preceding calendar month.

"(i) No person, firm, association, or corporation shall sell or offer for sale by retail within the District of Columbia any beverage without having first obtained a license so to do. No brewer, wholesaler, or distributor shall sell or deliver any beverage within the District of Columbia to any person other than a licensee.

"(j) No manufacturer of beverages outside the District of Columbia shall bring into the District and sell or offer for sale to licensees any beverage without a permit having first been obtained from the Commissioners of the District of Columbia, and an agreement on the part of the permittee that a monthly report, under oath, of the quantity of beverages shipped into the District of Columbia and to whom sold and delivered will be submitted to the assessor of the District of Columbia.

"(k) Each licensee shall on or before the 10th day of each month submit on forms to be prescribed by the Commissioners a statement showing the quantity of beverages purchased during the preceding calendar month.

"(l) No brewer, manufacturer, wholesaler, or distributor shall have any direct or indirect financial interest in the business of any licensee.

"(m) All brewers, wholesalers, or distributors of beverages within the District of Columbia shall furnish to the assessor of the District of Columbia on or before the 10th day of each month a statement under oath showing the quantity of beverages sold during the preceding calendar month to each and every licensee within the District of Columbia.

"(n) The Commissioners of the District of Columbia are hereby authorized to promulgate rules and regulations, not inconsistent with law, for the issuance of licenses, and for the operation of all businesses by licensees. Said regulations may be modified from time to time as the Commissioners may deem desirable.

"(o) Any person who shall violate any of the provisions of this section shall, upon conviction by a court of competent jurisdiction, be punished by a fine not exceeding $1,000 or imprisonment in jail for 1 year, or both fine and imprisonment, in the discretion of the court, and in case of a licensee his license shall be revoked for a period of 1 year. If any licensee shall willfully violate the regulations duly issued and promulgated by the Commissioners of the District of Columbia, the Commissioners may, after proper hearing, revoke the license for the period of 1 year. In case any licensee is convicted of the violation of the terms of this section the court shall immediately declare his license revoked and notify the Commissioners accordingly. Any licensee who shall sell or permit the sale of any alcoholic beverages not authorized under the terms of this section on his premises or in connection with his business or otherwise shall, upon conviction, forfeit his license and shall in addition thereto be fined $1,000 or imprisoned for 1 year, or both fine and imprisonment, in the discretion of the court.

"(p) The act of Congress approved March 3, 1917, entitled 'An act to prohibit the manufacture and sale of alcoholic liquors in the District of Columbia, and for other purposes', with the exception of sections 11 and 20 thereof, is hereby repealed."

HEARINGS BEFORE THE INTERSTATE COMMERCE COMMITTEE

Mr. DILL submitted the following resolution (S.Res. 28) which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, is authorized, during the Seventy-third Congress, to send for persons, books, and papers, to administer oaths, and employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

BROADCASTING PROCEEDINGS OF THE SENATE

Mr. DILL submitted the following resolution (S.Res. 29), which was referred to the Committee on Rules:

Resolved, That the Sergeant at Arms of the Senate is hereby directed, at as early a date as practicable, to equip the Senate Chamber with the proper electrical connections to which microphones for radiobroadcasting may be attached, and also to install microphones, control switchboards, and all other apparatus necessary for connection of microphones with any broadcasting station or stations for the purpose of broadcasting speeches, debates, or proceedings of the Senate as may be decided from time to time by the Senate Committee on Rules, and the necessary expense for such installation of electrical connections and equipment and for the maintenance and operation of the same is hereby authorized to be paid out of the contingent fund of the Senate.

The Committee on Rules of the Senate is hereby authorized to make arrangements for the broadcasting of such proceedings of the Senate as the committee may determine through such radiobroadcasting stations as it may be possible to arrange for broadcasting without expense to the Senate or the Government.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

REDUCTION OF EXPENDITURES

The Senate resumed the consideration of the bill (H.R. 2820) to maintain the credit of the United States Government.

Mr. DILL. Mr. President, when we recessed last night my amendment was pending. I desire to modify it by changing the word "section" to the word "title."

The VICE PRESIDENT. The clerk will report the modification.

The CHIEF CLERK. The Senator from Washington proposes to modify his amendment, in line 3, by striking out the word "section" and inserting the word "title," so as to read:

Provided, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper.

The VICE PRESIDENT. The question is on the amendment as modified.

Mr. McKELLAR. Mr. President, for months, nay, for years, I have stood in my place here and pleaded for reduction in expenditures of the Federal Government. Probably more than 100 times have I stated on this floor that our Federal Budget could never be balanced by increasing taxes, but could be balanced only by decreasing expenditures.

I had hoped that we might balance our Budget without reduction of compensation to our ex-service men. We earnestly tried to do this; and if my plan had been followed and if the plan of the Senator from New Mexico [Mr. BRATTON] had been followed, we might have gotten through this depression without cutting down our disabled ex-service men's compensation. Last year, it will be recalled, I felt that all expenditures should be cut down 10 percent. At that time I could not get the Congress to agree with me, except in part. This year the Senator from New Mexico [Mr. BRATTON] undertook to effect a horizontal reduction of 5 percent. It passed the Senate, but was lost in conference. The result was that when the new administration came in on March 4 it found the greatest deficit ever known to any government in all history. Three years ago our deficit was, in round numbers, a billion dollars; two years ago it reached the enormous proportions of nearly $3,000,000,000; and this year it is nearly 1½ billion more, although we increased taxes last year by a billion dollars. With this condition confronting the new administration, with the banks of our country virtually all closed on the 3d of March, it was inevitable that the new administration must cut down the expenditures of government.

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

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

Mr. McKELLAR. I yield.

Mr. DICKINSON. I should like to inquire if the effort to reduce expenses to which the Senator refers is the effort which was made to effect a 10-percent reduction in all appropriation bills?

Mr. McKELLAR. It was.

Mr. DICKINSON. Was it not the veterans' item of some $900,000,000 in the independent offices appropriation bill, and the further fact that had we adopted that policy with reference to the Army and Navy the difficulties involved therein were so great as to cause the abandonment of the program?

Mr. McKELLAR. I do not know what caused it. I know that we adopted that policy in 5 of our appropriation bills, and it was voted down as to the other 5. If it had been carried through all the appropriation bills, in my judgment, with the additional cut provided for in the Bratton amendment, we would have been saved the necessity of making a cut now.

Mr. DICKINSON. Let me ask the further question whether or not, if the independent offices appropriation bill had been reduced 10 percent, it would not have been mandatory to reduce pensions allowed veterans?

Mr. McKELLAR. It might have been. If the reduction had been made, they would not have had to be reduced by the amount by which it will now be necessary to reduce them.

Mr. President, I am going to support the pending bill. It grants extraordinary powers, it is true; but from our experience here in the Senate in the last 2 years in trying to secure reductions in expenditures, it seems to me that the plan outlined in the bill is the only way a real reduction can be brought about. It is not a theory but a condition that confronts us. We must maintain the financial integrity of this Government, and the only way it can be maintained is by reducing expenditures to balance income.

Mr. President, these are extraordinary powers that we are giving the President. Ordinarily they would not be granted. Ordinarily I would not favor them, but in this crisis, with the experience as to reductions that we have had in the Congress in the last 2 years, we all know it is the only way to restore the financial integrity of this Government, especially with the experience the Economy Committee of this body has had in endeavoring to bring about a reduction in expenditures, especially when we remember that when that committee this year secured a reduction in this body of about $230,000,000 under what President Hoover had recommended, those reductions were swept aside in conference; so it would seem that there is nothing we can do but to pass a measure of this kind. It is the only way, it seems to me, to restore the financial credit of the Government.

Mr. President, necessarily this bill was hastily drawn. It had to be. Necessarily there must be some amendments. The two amendments adopted last night were most proper amendments. One of these, the amendment offered by Senator WALSH, makes it absolutely certain that the soldier disabled in line of duty shall not be removed from the compensation rolls.

It was a very proper amendment. The Government should be meticulously mindful of its duty toward these disabled men, disabled in the line of duty; and I know our President, following out the intent of this amendment, will carefully guard the interests of these men in every proper way.

Again, Mr. President, the amendment offered by the Senator from Alabama [Mr. BLACK] upholding the insurance contracts of the Government is a most proper amendment and adds greatly to the strength and justice of this bill. If a soldier has a contract with the Government, and a court upholds that contract and grants a judgment to the soldier, it should be paid beyond the question of a doubt.

And now, Mr. President, there is another amendment, and that is the Spanish-American War veterans amendment offered by the Senator from Washington [Mr. DILL]. I am glad the Senate is going to accept that amendment, as I understand it will, and I congratulate the chairman of the committee on being willing to accept it. The Spanish-American veterans were not pensioned until 1920; indeed, they did not secure substantial pensions until 1928. Many of them are now old men. They ought not to be stricken from the rolls en masse, as the original bill provides. Their rights and interests are safeguarded in the amendment of the Senator from Washington, and that amendment, as I have said, will, I presume, be agreed to; it certainly ought to be agreed to.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes; I yield.

Mr. ROBINSON of Arkansas. Can the Senator state why the age of 62 was inserted in the bill? Perhaps the Senator from Washington [Mr. DILL] can advise me.

Mr. McKELLAR. The reference to 62 years of age is in the present law.

Mr. ROBINSON of Arkansas. Very well.

Mr. DILL. That is the age limit provided by the present law.

Mr. ROBINSON of Arkansas. How many are affected by this provision?

Mr. DILL. Mr. President, I have the figures here.

Mr. McKELLAR. I shall be glad to yield to the Senator from Washington in order that he may give them.

Mr. DILL. There are about 15,000 who are now on the rolls solely because of age. Then there are a considerable number of the 104,000 who have disabilities which are not connected with the service. It is impossible to determine just how many of those—but several thousand, probably, will be kept on the rolls as a result of the amendment.

Mr. ROBINSON of Arkansas. Can the Senator state approximately the amount involved in this amendment?

Mr. DILL. It is impossible to do that, because we do not know the number affected. I have left it open for the President to make the percentage of cut as he shall decide. I only want to say in this connection that probably 90 percent of these men who have passed 62 years of age and who are on the roll because of age and disabilities not connected with the service are unable to make a livelihood in this situation; and if we do not do this, we would transfer these men from the pension rolls and, by denying the mthe small amount they will receive under this amendment, transfer them to the charity rolls of the country.

Mr. WALSH. Mr. President——

Mr. McKELLAR. Mr. President, I will yield to the Senator from Massachusetts in just a moment. I want to say here that from the testimony taken before the committee it was ascertained, according to the statement of General Hines, that the aggregate amount of pensions now being paid to Spanish-American War veterans is about $130,000,000, in round numbers. If the proposal of the original bill should go through, it would take off that sum, in round numbers, $95,000,000; so that it would take away from the Spanish-American War veterans, in round numbers, nearly three fourths of the entire compensation now paid them. It seems to me this is a tremendous reduction to apply to the pensions of these men, most of whom are now old; it would be unfair and unjust, and for that reason it will give me the greatest pleasure to vote for the amendment offered by the Senator from Washington [Mr. DILL]. I am confident that under the amendment our President will so regulate and adjust the pensions of Spanish-American War veterans that they will be treated on a parity with other veterans. I now yield to the Senator from Massachusetts.

Mr. WALSH. I presume the Senator does not mean to imply because General Hines suggests the possibility of a reduction of $95,000,000 in the payments to Spanish-American War veterans that such a reduction will actually be made?

Mr. McKELLAR. No; I am quite sure, knowing the President of the United States as I do know him, that he would not make any such reduction; but it seems to me that it is right and proper for the Congress absolutely to insure a more moderate result. I am sure the very adoption of this amendment as to the Spanish War veterans will meet the entire approval—though I have not talked to him—of the President, who will have to administer this law.

Mr. WALSH. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. WALSH. As I understand, the amendment provides that the restriction imposed in the pending bill, which would result in the removal from the rolls of groups of Spanish-American War veterans, shall not apply and that they shall all be retained on the rolls?

Mr. DILL. Those who have passed 62 years of age.

Mr. WALSH. In other words, the Senator's amendment proposes to permit the President, at his discretion, to change or modify any of the payments made to Spanish-American War veterans under existing law, but does not permit him, as the bill does, to eliminate certain classes of such veterans?

Mr. DILL. That is correct. The bill as now written makes it impossible for the President to put them back on the rolls.

Mr. WALSH. Yes.

Mr. VANDENBERG. Mr. President, will the Senator from Tennessee yield for a question?

Mr. McKELLAR. I am almost through, but I shall be delighted to yield to the Senator, of course.

Mr. VANDENBERG. The Senator has very appropriately indorsed the amendment submitted by the Senator from Massachusetts [Mr. WALSH]; I cordially agree with him in respect to it; but I want to get some information, if I can, as to the Senator's estimate of what that amendment really does.

Mr. McKELLAR. Of course, it will be absolutely impossible without a careful examination to make an accurate estimate. I imagine that we would have to have General Hines examine the record before an accurate estimate or anything like an accurate estimate could be made. However, I feel sure that the amendment of the Senator from Massachusetts will enable the President to do equal and exact justice to these men.

Mr. VANDENBERG. I call the Senator's attention to the fact that on Saturday I interrogated the chairman of the committee, the Senator from Mississippi [Mr. HARRISON], and, at page 256 of the RECORD, he replied to me that the elimination of service-connected reductions would amount to $101,000,000. I am wondering if the amendment which has been adopted approximates that figure.

Mr. McKELLAR. I refer the Senator to the chairman of the committee, because I have not that information.

Mr. HARRISON. The information, may I say to the Senator from Michigan, that we obtained from those who are close to the administration of veterans' affairs, and who have consulted with the President with reference to this matter, was that there was in the minds of many Senators the possibility that by the language written in the bill some of these veterans might be stricken from the rolls. It was not believed that they would be, however. We did not believe that the President, in the exercise of his discretion, would eliminate them, but this merely safeguards the provision; and the information that comes from those who are close to the administration of affairs is that it will not affect the saving that was anticipated when the bill was written.

Mr. VANDENBERG. I am glad to have the Senator's assurance, but, if I may be permitted to pursue the point

for just a second, there is an estimate of $383,000,000 of saving. That estimate must be made up of certain specific factors, and my understanding is that one of those factors is $101,000,000 in the case of veterans suffering from service-connected disabilities.

The VICE PRESIDENT. The time of the Senator from Tennessee has expired.

Mr. McKELLAR. Mr. President, in view of the interruptions, I ask unanimous consent to conclude what I have to say. It will only take me a moment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Tennessee will proceed.

Mr. McKELLAR. Mr. President, this bill means reductions for all of us. It does not apply to one class, but to all classes of employees. It will cut down our Federal expenditures enormously. It will sustain our national credit. It will prevent another increase in our Federal taxes. It will help restore confidence. It will prove a hardship to many of us, but with our country in the condition in which we find it, all of us should be willing to make sacrifices. The bill has been greatly improved by amendments, and I believe that President Roosevelt will carry out its provisions fearlessly, honestly, sympathetically, justly, and fairly.

Our first thought in these times should be to uphold the integrity of our Government itself. For the reasons I have heretofore stated, Mr. President, I shall vote for the bill.

Mr. BORAH. Mr. President, I am in favor of this amendment, but I want to take a few moments on this amendment to speak to a more general subject. I am not quite willing, Mr. President, to leave this record in the condition in which it has been made up as to the reasons why we should pass this bill.

The sole reason as yet assigned for the passage of this measure in the form and terms in which it is now offered is that the Congress of the United States has broken down; that it can no longer function; that we, as a legislative body, have failed, and for that reason we must surrender our legislative power to the executive branch of the Government.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

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

Mr. BORAH. I have only a few moments.

Mr. McKELLAR. I know the Senator has only a few moments, but I call his attention to the mammoth failure that we made in the case of the Bratton amendment, which would have reduced expenditures.

Mr. BORAH. Yes; and I am going to refer to that also. I want this record to speak the truth. I am not willing that the Congress of the United States shall take all the blame for this situation. Doubtless it must bear a portion of the blame. The "summer is not as bad as it has been painted." I refer particularly to the language used by the Senator from Ohio [Mr. FESS] upon yesterday. He said:

> Mr. President, I have reluctantly come to the conclusion that, while we want zealously to hold and maintain the three coordinate departments of our Government, and must do it at all hazards except when an emergency arises that would seem to justify a change I should vote for the pending measure, but I do not want anyone to take my vote on the measure as indicating a loss of appreciation on my part of the value of the institutions under which we now live. I want to maintain the three departments of government absolutely independent, if it is possible so to do.

Again he says:

> That bill never was even considered by a committee—

Referring to the economy bill of some years ago—

> and, of course, was never brought before the body for a final vote. The reason why it was not was the intense opposition that developed to all the recommendations that had been made by the Commission. That opposition came, I would not say from the Executive, but from the executive departments, for the Executive himself was very strongly in favor of it.

The absurdity of saying to the people of the United States that the opposition did not come from the Executive but from the executive departments! It came from the executive department of the Government, and it has come from that place and from that source during all this long fight for economy.

Again the Senator from Ohio says:

> Mr. President, I confess with considerable humiliation that, however bad matters are in the way of cutting expenses, we are not going to cut them materially when we bring them up to be discussed here in the Senate; and I need no stronger evidence of that than the argument of the Senator from Indiana on yesterday.

Again the distinguished Senator from Ohio says:

> At the same time, I must admit and make the humiliating confession that if we depend upon the vote of this body to retrench we are not going to retrench; and nobody knows that better than the Members who sit here within the sound of my voice at the present time.

Mr. President, I challenge the statement.

The Senator from Ohio is a distinguished member of the Republican Party. He has long been a Member of Congress. He has been an instructor and teacher of the youth of the United States. He has been a defender of our institutions upon numerous occasions as the perfection of human reason, and as necessary for the preservation of human liberty, and as an essential factor in the whole scheme of humanitarian development. He now says to the people of the United States and to the Congress that one of the most essential bodies of the Government has broken down, has caved in, is incapable of functioning; and that goes out to the country from so distinguished and scholarly a gentleman as the Senator from Ohio!

What are the facts in regard to this matter?

I desire to call the attention of the Senate and the country to the fact that the Congress of the United States has been running below the Budget of the executive department of the Government almost constantly in recent years. Time after time the Congress of the United States has reduced the appropriations below the estimates sent to us by the executive department. That has not only been true in exceptional instances, but it has been the general rule; and I maintain that the record will disclose that the real point of extravagance in this Government, the place where the money has been demanded and where it has been expended, is and has been the executive department of this Government.

Of course, we have not at all times agreed with the Executive as to a particular item. We have still retained some individuality, some judgment of our own, as to details. Nevertheless, as the sum total has been made up, we have fallen below, in our expenditures, the estimates of the executive department.

Secondly, Mr. President, the twenty-six and odd commissions and bureaucratic creations of the last few years have not been created upon the initiative of the Congress of the United States. They did not come from either body of Congress. They have been submitted to us and sent to us and urged upon us by the executive departments of the Government. Those expenditures, Mr. President, are the real source of the extravagance of this Government, and the real source of the great burden which has been laid upon the taxpayers of the United States. The most extravagant, the most demoralizing instrumentality of government that was ever created by the mind of man is a bureaucracy. It feeds upon the public money, and it has been increasing by reason of its own initiative and by reason of its own demands, and not by reason of the initiative and demands of the Congress of the United States. Congress is to be criticized rather for cooperation than in refusing to cooperate.

Have any of the bills which we have passed to take care of those commissions and like things been vetoed? Have they not originated in the executive department? Let us give the Congress of the United States at least a fair deal before the American people at least. There may be reason for doing extraordinary things in extraordinary times; but there is no reason for perverting American history in order to justify our doing so.

Again, Mr. President, it is said that we have been too liberal with the veterans; and so we have. Outside of those who suffered in battle, who received injuries, and their dependents, outside of those who contracted diseases in the service and were disabled for life, we have been more liberal than we should have been; but was the Congress alone responsible for that?

Who was it that was not demanding that we be liberal with the veterans who fought the war? The newspapers of the country almost universally were demanding that they be liberally treated. Both political parties were demanding it. Our constituents were demanding it. It was an expression of the popular will of the United States. Shall Congress now be singled out as the only culprit in this expenditure and condemned because it followed the overwhelming public opinion of the United States?

If it was an evil, if it was a mistake, it was a mistake of the country. It was a mistake of public opinion. It was because public opinion insisted upon these things being done.

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

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

Mr. BORAH. I yield.

Mr. REED. Does not the Senator remember that over his own almost inspired opposition Congress persisted in passing over the President's veto a bonus bill which is at least partly at the root of our troubles? Can Congress escape the blame for that?

Mr. BORAH. Let me go back a little before the Congress alone is condemned upon that ground.

When the bonus bill first came before the Congress of the United States there was the place to determine our policy. Where was the Executive at that time? I remember distinctly that when I cast my first vote against the bonus I was called in by high authority and advised that it would be ruinous to the Republican Party if action was not taken in regard to it. There is where the mischief was initiated. There is where the policy was determined.

Mr. REED. Did not President Harding veto the bonus bill?

Mr. BORAH. Did he?

Mr. REED. I think so.

SEVERAL SENATORS. Yes.

Mr. BORAH. That was the second one. It was vetoed because of details as I recall.

Mr. FESS. No; the first one.

Mr. REED. He vetoed the first one that passed.

Mr. FESS. And President Coolidge vetoed it.

Mr. BORAH. I remember that Mr. Coolidge vetoed it, but I know that Mr. Harding in the first instance was for the bonus bill. He declared for it in his campaign.

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

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

Mr. BORAH. I do.

Mr. BARKLEY. It was the second bonus bill that President Harding signed, according to my recollection. I may be mistaken about that.

Mr. REED. If the Senator will pardon me, President Harding never signed one.

Mr. BARKLEY. President Coolidge signed the second one.

Mr. REED. No, no; pardon me. President Harding vetoed the only one that came to him. President Coolidge vetoed the only one that came to him.

Mr. BARKLEY. The first bill that was passed, that was sent to the White House, was not the bill that finally became law.

Mr. REED. No.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON of Arkansas. Undoubtedly both President Harding and President Coolidge vetoed bonus bills.

Mr. BORAH. I recall, of course, that President Coolidge vetoed the bonus bill.

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

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

Mr. BORAH. I yield.

Mr. FESS. The bill that President Harding spoke of in the campaign as indicating that he might be for it was the bill that passed the House originally, and came over to the Senate, and was hung up here in the Senate, as the Senator will remember. Then it was modified; and, instead of carrying the five parts, it cut out all except the insurance plan. Then, when the bill went to the President a committee of the House went down to see the President, headed by Martin Madden—I was with him, and Mr. Mondell was with him; and we pleaded with the President not to veto the bill, but he insisted that he could not permit it to pass, and he did veto it.

Mr. BORAH. If the President vetoed the bill, it was on account of the details, because in the campaign the President advocated a bonus. He was for the compensation principle. He vetoed it on account of details.

Mr. FESS. The Senator is correct; in his speech in Cincinnati.

Mr. BORAH. He advocated a bonus in the campaign, and he advocated a bonus after he became President of the United States. The terms might not have suited him. Nevertheless, he was an advocate of a bonus, of compensation, based not upon injuries but upon the general principle that the men had served in the Army.

Mr. FESS. If the Senator will permit me, so that the RECORD may be clear, I had opposed the bonus in the House and voted against it. That is the measure which came over to the Senate and was defeated here. Then the other bonus measure came up, and that was the one I voted for, because there was only one item in it, the insurance; and that is the one that President Harding vetoed.

Mr. BORAH. It is doubtless correct to say that the President vetoed a certain measure. Nevertheless, the President stood for a bonus or for compensation.

Mr. FESS. Of some form.

Mr. BORAH. Yes; of some form. He advocated it in the campaign, and he advocated it after he became President.

Mr. FESS. The Senator is correct.

The VICE PRESIDENT. The time of the Senator from Idaho has expired.

Mr. BORAH. I will finish my remarks on another amendment.

Mr. LONG. Mr. President——

Mr. WALSH. Mr. President, in view of the interruptions of the Senator from Idaho, I ask unanimous consent that he be given 10 minutes more.

Mr. BORAH. No; I thank the Senator.

Mr. DILL. The Senator has 30 minutes on the bill.

Mr. BORAH. I thank the Senator very much, but I will finish my remarks under another amendment.

Mr. BORAH subsequently concluded his remarks, as follows:

Mr. President, I hesitate to occupy any time, although I think the Senate will concede that I have occupied very little time in the consideration of the measure. The Senator from Mississippi looked so wistfully toward me when I rose that I hardly have the heart to proceed.

Mr. HARRISON. I may say that the Senator has occupied very little time, and he has acted beautifully in the consideration of the bill.

Mr. BORAH. I thank the Senator. Now I want to return to a matter which I was discussing this morning. I am not interested in criticizing the administration, but I do feel considerable interest in criticism which has been lodged against the body of which I am a Member.

I wish to complete some remarks which I did not have time to conclude this morning. In the first place, I find upon further investigation, as I stated this morning, that President Harding was an advocate of the bonus. I have read his veto message, and in my opinion it sustains the view which I entertained this morning, that his objection to that particular bill was with reference to details, and not to the general principle of the bonus. He said:

With the avowed purpose of the bill to give expression of a nation's gratitude to those who served in its defense in the World War, I am in accord, but to its provisions I do not subscribe. * * *

When the bill was under consideration in the House I expressed the conviction that any grant of bonus ought to provide the means of paying it, and I was unable to suggest any plan other than that of a general sales tax. Such a plan was unacceptable to the Congress.

That, in my opinion, states the position of the President. I do not think he ever changed his mind as being in favor of the bonus, but he did insist that a specific method of raising the means of payment be provided in the bill; and because it was not so provided, he vetoed the bill.

Whether there was a mistake as to details or not, there could be no question of the fact that the general attitude of the country at that time, including the press and public opinion, as organized, was in favor of compensation to the soldiers. I have not time to read them, but I am going to ask permission to put into the RECORD the planks of the platforms of the two parties in 1924 and 1928 with reference to the matter which is under discussion.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Is there objection?

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

1924

[Republican platform]

The World War veterans

We reaffirm the admiration and gratitude which we feel for our soldiers and sailors.

The Republican Party pledges a continuing and increasing solicitude for all those suffering any disability as a result of service to the United States in time of war. No country and no administration has ever shown a more generous disposition in the care of its disabled, or more thoughtful consideration in providing a sound administration for the solution of the many problems involved in making intended benefits fully, directly, and promptly available to the veterans.

The confusion, inefficiency, and maladministration existing heretofore since the establishment of a Government agency for administering such benefits have in the main been cured by new legislation, and plans are being actively made looking to a further improvement in the operation of the bureau. The basic statutes have been so liberalized as to bring within their terms 100,000 additional beneficiaries. The privilege of hospitalization in Government hospitals, as recommended by President Coolidge, has been granted to all veterans irrespective of the origin of disability, and over $50,000,000 has been appropriated for hospital construction which will provide sufficient beds to care for all. Appropriations totaling over $1,100,000,000 made by the Republican Congress for the care of the disabled evidence the unmistakable purpose of the Government not to consider costs when the welfare of these men is concerned. No legislation for the benefit of the disabled soldier proposed during the last 4 years by veterans' organizations has failed to receive consideration.

We pledge ourselves to meet the problems of the future affecting the care of our wounded and disabled in a spirit of liberality and with that thoughtful consideration which will enable the Government to give to the individual veteran that full measure of care guaranteed by an effective administration machinery to which his patriotic services and sacrifices entitle him.

[Democratic platform]

Veterans of wars

We favor generous appropriations, honest management, and sympathetic care and assistance in the hospitalization, rehabilitation, and compensation of the veterans of all wars and their dependents. The humanizing of the Veterans' Bureau is imperatively required.

1928

[Republican platform]

Veterans

Our country is honored whenever it bestows relief on those who have faithfully served its flag. The Republican Party, appreciative of this solemn obligation and honor, has made its sentiments evident in Congress. Our expenditures for the benefit of all our veterans now aggregate $750,000,000 annually. Increased hospital facilities have been provided, payments in compensation have more than doubled, and in the matter of rehabilitations, pensions, and insurance generous provision has been made. The administration of laws dealing with the relief of veterans and their dependents has been a difficult task, but every effort has been made to carry service to the veteran and bring about not only a better and generous interpretation of the law, but a sympathetic consideration of the many problems of the veteran. Full and adequate relief for our disabled veterans is our aim, and we commend the action of Congress in further liberalizing the laws applicable to veterans' relief.

[Democratic platform]

Veterans

Through Democratic votes, and in spite of two Republican Presidents' opposition, the Congress has maintained America's traditional policy to generously care for the veterans of the World War. In extending them free hospitalization, a statutory award for tuberculosis, a program of progressive hospital construction, and provisions for compensation for the disabled, the widows, and orphans, America has surpassed the record of any nation in the history of the world. We pledge the veterans that none of the benefits heretofore accorded by the Wilson administration and the votes of Democrat Members of Congress shall be withdrawn; that these will be added to more in accordance with the veterans' and their dependents' actual needs. Generous appropriations, honest management, the removal of vexatious administration delays, and sympathetic assistance for the veterans of all wars is what the Democratic Party demands and promises.

Mr. BORAH. Mr. President, something has been said since I rose this morning about the Bratton amendment as being evidence of the fact that the Congress of the United States could not function with reference to reducing expenditures.

The Senate adopted the Bratton amendment. It was immediately attacked, viciously attacked, by the executive departments of the Government. They went so far as to advertise to the country that it would cause practically the breakdown of the Navy and cripple a number of the departments to such an extent that they could not function. There can be no possible doubt but that that amendment was defeated by reason of the attitude assumed upon the part of the executive departments.

I am not contending that Congress is wholly excusable for the things which it has done in regard to these expenditures, but I contend that the record of the Congress, taken in connection with the executive department and the other department of the Government, does not justify the Congress being assailed as having failed to function as a department of the Government.

It has also been said that Congress is unwilling to cooperate with the executive department with regard to important measures. I cannot recall any important measure which came before the Congress recommended by the President in recent years which did not speedily receive the support of the Congress when it was called an emergency measure.

Senators will remember that, when we came into the Congress immediately upon the induction into office of President Hoover, the great and overpowering question was that of farm relief. The Congress had some views of its own relative to the debenture, the equalization fee, and other matters. The President of the United States recommended and urged the Farm Marketing Act. I doubt whether that act would really have had the support of a majority of the Members of this body had they been permitted to follow their own convictions, uninfluenced by the assertion upon the part of the President that with it and through and by means of it he could solve the problem. It was passed, and the result everybody knows. The Congress cooperated with the President in passing his first great emergency measure.

We came later to what is known as "the moratorium", a most extraordinary measure, viewed from the stand which the Congress had taken on previous occasions. But the President sent to the Congress of the United States a message insisting that it was necessary for us to change our policy in order that world conditions might possibly be improved. I know that Senators yielded their views upon that matter because of the message and because of the statements of the President with reference to the great exigency which confronted us. That was another one of the great emergency measures which the Congress readily and speedily assisted the Executive in putting into the form of law.

Then came the Reconstruction Finance Corporation Act, a measure which the able Senator from Virginia [Mr. GLASS] declared upon the floor the other day was not a constructive measure but a destructive measure. But it came here as an emergency measure; and both parties, without regard to party lines, because it was presented as an emergency measure and because it seemed to be the only plan by which to

relieve the situation, with very little debate, and with great speed, enacted it into law.

Then we had what is known as "the home-loan bank measure." I am referring now only to emergency measures. The home loan bank bill was believed and declared on the floor of the Senate to be ineffective for the purposes for which it was being proposed. It has, in my judgment, turned out to be wholly ineffective. It has been a failure thus far unmistakably. But the Congress passed it. If the Congress is to be criticized for failing to meet the situation, if the Congress of the United States is to be criticized for failing to follow the President in those emergency measures, I am unable to find in the record any evidence of that failure.

I think criticism, if any is to be lodged, is by reason of the fact that the Congress has not more often asserted its view and recorded its own convictions. I think it is to be criticized, if at all, for taking measures with which it had nothing to do practically in the framing thereof. I do not believe it is in the interest of government, in the interest of sound legislation, in the interest of the welfare of the people of the United States for the Congress not candidly to consider the measures which come before it and to record its convictions upon them.

I do not find fault with those who see in this bill a remedy for the situation. I do not find fault with them for accepting the measure as it has been presented to us. I do say that when they base their justification on the proposition that the Congress has failed to do its duty in the past, it is not in accordance with history and it is not in accordance with the record.

May I say, too, that if the position taken by the able and adroit Senator from Illinois [Mr. LEWIS] were taken with regard to this bill I should have less hesitancy in supporting the bill than I have. What has startled me upon this floor is that it has been stated by such able men as the Senator from Ohio [Mr. FESS] and the distinguished Senator from Maryland [Mr. TYDINGS] that this is a bestowal of dictatorial power, that it is a bestowal of unconstitutional power. The Senator from Illinois said that precedents can be found that it is not a delegation of legislative power. That may be a debatable proposition. I cannot agree with the views which he expressed. But certainly, when told that it is a bestowal of unconstitutional powers, it naturally brings one to a halt and to a hesitation with reference to his vote upon it.

I only rose today, Mr. President, to try to state the facts as between the executive department heretofore and the Congress of the United States. We have all made mistakes. No one seemed to be able to comprehend and diagnose or to find a plan of relief for the great crisis which came to us some 3½ years ago. The bankers of the United States were without a remedy. The press of the United States was without a remedy. The executive department was without a remedy. The Congress, in my judgment, was without a remedy. It was a situation which seemed to be beyond the ability of men to comprehend and to control. But I am unwilling myself, in the midst of this awful calamity and the failure to meet the situation as we would like to have seen it met, to single out the Congress of the United States and say that that body, of all who were concerned in the matter, has been the signal failure, and therefore we are called upon to abandon our function of seriously considering and passing such measures as we in our judgment feel are necessary for the situation. I can never admit that we cannot find ample power within the Constitution to meet all emergencies. I am unwilling to vote for dictatorial powers. I am not willing to disregard the most fundamental principles of this blessed old Republic.

Mr. REED. Mr. President, so that the RECORD may be accurate, I should like to state that President Harding vetoed the bonus bill which was sent to him in September 1922. His veto message is dated September 19, 1922. I will not put the whole message in the RECORD; but I want to read the last paragraph as showing President Harding's attitude toward the bonus question in general—not to matters of detail.

The President said:

> I confess a regret that I must sound a note of disappointment to the many ex-service men who have the impression that it is as simple a matter for the Government to bestow billions in peace as it was to expend billions in war. I regret to stand between them and the pitiably small compensation proposed. I dislike to be out of accord with the majority of Congress which has voted the bestowal. The simple truth is that this bill proposes a Government obligation of more than four billions without a provision of funds for the extraordinary expenditure, which the executive branch of the Government must finance in the face of difficult financial problems, and the complete defeat of our commitment to effect economies. I would rather appeal, therefore, to the candid reflections of Congress and the country, and to the ex-service men in particular, as to the course better suited to further the welfare of our country. These ex-soldiers who served so gallantly in war, and who are to be so conspicuous in the progress of the Republic in the half century before us, must know that nations can only survive where taxation is restrained from the limits of oppression, where the Public Treasury is locked against class legislation, but ever open to public necessity and prepared to meet all essential obligations. Such a policy makes a better country for which to fight, or to have fought, and affords a surer abiding place in which to live and attain.

Mr. BORAH. Mr. President, may I ask the Senator a question?

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

Mr. REED. Certainly.

Mr. BORAH. Is it not a fact that President Harding advocated compensation in the way of a bonus in the campaign?

Mr. REED. I believe he did, in some such form.

Mr. BORAH. And is it not a fact that Mr. Mellon threatened to resign if Mr. Harding did not veto that bill?

Mr. REED. If that is so, I never heard of it until this minute.

Mr. BORAH. I did.

Mr. REED. In fairness to President Harding and to the Executive, we must say that both Harding and Coolidge opposed every bonus bill that came to them, and vetoed every bonus bill that came to them. Mr. Harding's veto was sustained by a comparatively ample majority; and no one in the Senate did more to have that veto sustained than did the able Senator from Idaho.

Mr. FESS. Mr. President, will the Senator yield there?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. REED. I yield.

Mr. FESS. In order that there may be no confusion in regard to President Harding's view, in the campaign of 1920, in the city of Cincinnati, where he was making a political address, he was asked from the floor, from the audience, about the bonus.

He stated in his reply that he was not opposed to the principle of the bonus, that he was rather in favor of it, but that he could not see his way clear to go on with the particular measure which had been proposed. He embarrassed me very much, because I had voted against the measure, and he seemed to favor the principle. I voted against the measure on principle, and I was greatly embarrassed because of the statement of the President at Cincinnati.

Mr. REED. Mr. President, I remember this pretty vividly, because I myself was running for election to the Senate 6 weeks after the veto message came up here, and the manifestations of disapproval that followed my vote to sustain the veto were enough, in my inexperience at that time, to give me a good deal of concern. I have learned better since then.

Mr. BORAH. Mr. President, may I say that Mr. Harding advocated the bonus principle in the campaign. That was the position of the party. He spoke in favor of it in different places, and I think I know why he vetoed that particular measure.

Mr. REED. Perhaps the Senator knows reasons the rest of us do not know.

Mr. BORAH. No; I think if the Senator will refresh his recollection, the Senator from Pennsylvania in all probability knows the reason.

Mr. REED. The Senator has to take my assurance on that. I do not know that Mr. Mellon had anything to do with it by threatening to resign. I do know he was very much opposed to it, as were the Senator from Idaho and myself.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. The Senator from Idaho has just stated that he knows, and thinks the Senator from Pennsylvania knows, why Mr. Harding vetoed the bonus bill, implying some secret knowledge about the matter.

Mr. REED. I have no secret knowledge.

Mr. ROBINSON of Arkansas. It would be interesting to have the information.

Mr. BORAH. It was at the time not so very secret. It was an open secret in Washington that Mr. Mellon was absolutely opposed to it, and that he would not stay in the Cabinet if it was signed.

Mr. REED. Mr. Mellon has probably been the victim of more open secrets than any other person in public life in recent years. I received a letter this morning telling me the interesting and open secret that Mr. Mellon last week exported $5,000,000 in gold coin to himself in London, and the further open secret that he did not dare to come back to this country for fear of arrest. He did not export any gold to London, I am advised by people who know, and he sails the day after tomorrow for America. So that open secret, like this other one, is probably not wholly accurate.

Very well; but let us not waste time on nonessentials. If I wanted to hold people up to their campaign declarations by contrast with their subsequent action, I should ask nothing more as a fine illustration than the evasiveness with which Mr. Roosevelt, our present President, refused to commit himself on the immediate cashing of the soldiers' bonus during the past campaign. I ask nothing finer than the attitude he has taken in the last week on the subject of governmental economies, including veterans' allowances. I prefer to judge him by what he does in office rather than by his campaign speeches when he is trying to get into office, and if we judge Mr. Harding the same way, we must admit that he faced the music beautifully, and he sent us a veto which we sustained.

Mr. PITTMAN. Mr. President, is the Senator referring to the attitude of the President, then a candidate for election, on the bonus question?

Mr. REED. Yes. He was chased all over the Nation by that question, and he refused to answer it, or pay any attention to it, until he came to the city of Pittsburgh, late in the campaign, and then he gave out a cryptic utterance, which all of us tried to understand, but most of us could not.

Mr. PITTMAN. Let us get the facts.

Mr. REED. Very well.

Mr. PITTMAN. The facts were that in April prior to the election he gave out a public statement, which was published in the Associated Press of this country, as to his exact position upon the cashing of those certificates.

Mr. REED. I heard that rumored, but I never saw the statement, and I noticed that he refused to reaffirm it after he was nominated.

Mr. PITTMAN. I beg the Senator's pardon; he reaffirmed it absolutely. The statement was published in the Associated Press of the country; it was published in the New York Times, and in the statement he said that when this country was facing a deficit which would probably be $2,000,000,000, it was no time to consider taxing the Treasury of this country to cash these certificates, nor would it be time until there was a surplus in the Treasury. That was his statement in April, and that was the statement he repeated before the election.

Mr. REED. In his Pittsburgh speech.

Mr. PITTMAN. And the fact that the Senator, or someone else, did not read the Associated Press or other dispatches was an excuse in a political campaign, but is not an excuse now.

Mr. LEWIS. Mr. President——

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

Mr. REED. I yield for a question, but I should like to have time to answer questions in between questions.

Mr. LEWIS. May I call the attention of the honorable Senator, and of my esteemed friend and colleague from Nevada, to the fact that President Hoover in two speeches began to bait the candidate of the Democracy, then Governor Roosevelt, in that he had not stated his position as to the bonus, and after his second attempt at his baiting the Governor came out and called the attention of the President himself to the fact that the President had ignored the truth, which was that he, Governor Roosevelt, had, at the date to which the Senator from Nevada alludes, specifically called attention to his attitude upon the bonus, and there recited his position, and brought forth the record showing where it had been published to the people.

Mr. REED. I saw that, but it is one thing for the Governor of New York, long before the convention, to make some such statement, and another thing for the candidate for the Presidency who refuses week after week to so much as mention the matter, until finally he was goaded into mentioning it at Pittsburgh.

Mr. LEWIS. May I say to the able Senator that it was while a candidate for the Presidency that he met the audacious assertion of the then candidate of the Republican administration by disclosing that he was either ignorant of the ordinary public history of the time or, being conscious of it, was deliberately perverting it.

Mr. REED. I doubt whether the President has to take notice of the statements of 48 Governors before they are nominated for the Presidency. But that is by the way. I give full credit to Mr. Roosevelt for his firmness and courage since his inauguration. I merely ask for President Harding the same consideration that I cheerfully extend to President Roosevelt.

Mr. President, when we are considering whether Congress is to blame for our plight, let us remember what we did in President Coolidge's day. Congress passed a bonus bill and Mr. Coolidge promptly and firmly vetoed it.

The House passed it over his veto, with cheers, and it came over here to the Senate, and again the Senator from Idaho rose to what he considered to be the defense of his country, and did it most ably. I shall never forget that vote on overriding the Coolidge veto. It hung finally on the votes of two men, two men who had given assurance to our then leader that they would vote to sustain the veto, and at the last moment, without explanation or apology, changed their votes. I remember Senator Greene, of Vermont, paralyzed as he was, being held up on his feet so that, in spite of his aphasia, he might repeat the word "No" that one of us was whispering in his ear, the last time he ever stood erect on the floor of the Senate Chamber, as I recall it.

Those were vivid days. But when we say that the Executive is responsible for all economies, let us remember that while we have done cheeseparing of the Budget, the great extravagances of the past decade have been forced upon the Executive, have been forced upon the Budget, by such action as that on the part of Congress. The bonus is the conspicuous illustration, but I could name a dozen others if there were time or necessity for doing so.

The VICE PRESIDENT. The time of the Senator has expired.

STATE BANK BILL HELD

Mr. LONG. Mr. President, we have 15 minutes on amendments and 30 minutes on the bill. Do I understand the Chair's ruling to be as it has been heretofore, that a Senator may take 15 minutes on a pending amendment and 30 minutes on the bill at such time as he sees fit? That is the ruling we have had in the past.

The VICE PRESIDENT. The Chair understands that has been the custom of the Senate; and if so, the Chair will adhere to that custom.

Mr. LONG. However, I do not wish to take up 15 minutes or 30 minutes. I have risen at this time to ask what has become of our State banking amendment which passed the Senate yesterday. I get it out in the newspaper corridors that there is some "hook-a-ma-crook" message from Garcia, or something, as to our amendment that passed the Senate yesterday evening. I am reading the RECORD, and it seems the bill passed yesterday, included the State banks in the benefits to be received from some of the beneficient provisions of the banking bill. I am informed over in the House that they have not received the bill. I am referring to the bill introduced by the senior Senator from Arkansas [Mr. ROBINSON], Senate bill 320. What has become of that bill?

Mr. ROBINSON of Arkansas. Mr. President——

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

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I can supply the information requested by the Senator from Louisiana.

After the bill had passed, the Senator from Virginia [Mr. GLASS], I am informed, requested that it be held at the desk for the time being. I myself received a request from the Secretary of the Treasury and from others this morning that no action be taken this day looking toward the final disposition of the bill. I consented to that request, with the understanding that tomorrow or next day in all probability the matter may be finally disposed of.

It is my information that just subsequent to the passage of the bill the Federal Reserve Board raised some question as to the true interpretation of the measure and asked for time to study it.

Mr. LONG. In view of what the Senator from Arkansas has seen fit to disclose on the floor of the Senate, I do not suppose I am violating any confidence when I say that this bill was read to me over the telephone from the White House, I believe day before yesterday morning, and I was asked if the bill to be introduced by the Senator from Arkansas would suit me and the purposes of the amendment which I had previously offered here, which I had incorporated in a resolution. I told them that it would, and I was assured that the matter was finished business.

On yesterday I was ill and did not get here until last night, and I was telephoned that the bill had passed and that it was on its way over to the House. I took it on myself to ring the chairman of the Committee on Banking and Currency and tell him that the bill had passed the Senate and was on its way over, and asked him if he could not get immediate action, that the people were crying for it and needed it. He told me that it would pass in 10 minutes after it reached there, he thought.

Last evening I thought probably everything was going through early today, if it had not already gone through, but I come to find out—and I got my news from the corridors, the newspaper men—that some gentleman on the Federal Reserve Board had poked his bill into the business and had stopped the bill from going to the House.

If we are going to mess around here waiting for Eugene Meyer, of the Federal Reserve Board, to pass on this thing, we might as well understand "where we are at," in the words of the poet, because we are dead and cannot be anything else but buried, and the sooner we have the incarceration, or whatever else is necessary, for the State banks, we might as well have it. If we have to wait to get permission of this gang—and I use the word "gang" advisedly; I refer by the word "gang" to that crowd that is permitted to operate without being within the confines of the four walls, or under any compulsion of Federal or State authority—if we have to depend upon that gang to wait and deliberate on this thing, then we are in the hands of a very bad set of doctors.

I had understood that this matter was all finished and was going through. We cannot wait here from day to day and from night to night. If the bill is going through, we want it to go through. If we have to wait on the Federal Reserve Board for something for the State banks of the country, we ought to know it. We know they have been trying to put the State banks out of business, and have said so for the last 4 or 5 years. Eugene Meyer, after having finished up his famous bond operations through the War Finance Corporation and other material performances there are equally creditable to the gentleman, has had the courage to come here before a Senate committee and boldly state that he was out to destroy the State banks. When we made a fight to try to keep the State banks alive in this emergency that is being taken advantage of by these political and financial pirates who put themselves on these boards, we have understood that they have had the nerve to put themselves in the way and ask that they be considered before anything further be done about banking legislation.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. LONG. Certainly.

Mr. ROBINSON of Indiana. What is the status of the bill now? Has the Federal Reserve Board asked the Senate to hold up the bill?

Mr. LONG. They have seen fit to have instructed the Senate. I do not understand that they have asked for anything. We passed the bill and they have told us what to do with it—to hold it up until they pass on it. That is what I understand.

Mr. ROBINSON of Arkansas. Mr. President——

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

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. Subsequent to the passage of the bill the Senator from Virginia [Mr. GLASS] announced to me—I think he did not announce it on the floor—his intention to move a reconsideration in order to look into some questions that had been raised. I asked him not to make the motion then but to first satisfy himself whether he believed such motion was necessary. He said he would do so. No other action was taken yesterday.

This morning, as already stated, I was requested, as I have said, by the Secretary of the Treasury, who stated he favored the provisions of the bill, but desired to have some conferences concerning the matter before final action is taken, and it was indicated that some further amendment might be suggested.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. I should like to ask on what authority a clerk of the Senate may hold up a bill that has passed this body and is ready for messaging to the other House.

Mr. LONG. By authority of the Federal Reserve Board. [Laughter.]

Mr. COUZENS. I am asking the Chair.

The VICE PRESIDENT. The Chair knows of no method by which a bill can be held up from being messaged to the other branch of Congress. The clerk advises the Chair that the other branch of the Congress had adjourned yesterday and naturally the bill could not be messaged over until today. Why it is messaged over today the Chair does not know.

Mr. COUZENS. I suggest that we have an investigation, because I do not understand that is the proper way to legislate.

The VICE PRESIDENT. The Chair is advised by the Parliamentarian—and being new to the Senate, he takes that advice—that there is a precedent for the Secretary holding up the messaging of a bill at the request of a Senator. Whether that request has been made of the Secretary, of course, the Chair has no knowledge.

Mr. COUZENS. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. Will the Vice President please tell us where that precedent is of record holding that a single Senator who wants to hold up a bill of which he does not approve may hold it up in that way and for how long?

The VICE PRESIDENT. The Parliamentarian informs the Chair that a Senator has the right to make a motion

to reconsider within 2 days; and that in order to facilitate the making of the motion to reconsider, the Senator would be granted the right to request that the Secretary refrain from sending the bill to the other body until the time for reconsideration had expired.

Mr. FLETCHER. Mr. President, that is what I was about to suggest.

Mr. COUZENS. In other words, there is no real precedent for that action?

The VICE PRESIDENT. The Parliamentarian will find the authority for the Senator.

Mr. FLETCHER. Mr. President, the Senator from Virginia [Mr. GLASS] having voted for the bill, had the right to move to reconsider and could exercise that right within 2 days. Instead of doing that, as stated by the Senator from Arkansas [Mr. ROBINSON], he refrained from making the motion to reconsider with the understanding that the bill would not immediately be sent over to the House. I think that is the situation.

Mr. LONG. Mr. President, I want to state that the Senator from Arkansas [Mr. ROBINSON] has performed very nobly in this matter. I have not any advice from him except what he has given here. My advice, however, is to some extent confirmed by what he said. I am told, and I think very reliably, and I am rather confirmed by what my friend from Arkansas said, that the supreme council, the nonpartisan league, the Federal Reserve Board—that ran both of these things in past days and would like to run them now, which I do not think they are going to be able to do—let the Senate act on the bill and then they met and passed on the thing, and that is why the bill is here yet.

What I want to know is this: There is nothing here holding up the bill. If any Senator moves to reconsider it, then we can move to lay that motion on the table and go ahead with the bill. The State banks are closed, and the State banks are going to stay closed if they do not get some help. The amendment offered by the Senator from Arkansas will help them some if properly administered, and will cover everything that I had in mind in my amendment which I offered the other day and possibly a great deal more, because it incorporated a provision allowing the conservators to participate in the loans in trying to wind up the business of the banks.

We might as well know where and under whom we are legislating. I was telephoned and told that this bill was going through. On the floor of the Senate I confirmed what I had said over the telephone—that the bill of the Senator from Arkansas [Mr. ROBINSON] was entirely satisfactory to me as a substitute for everything I had offered on the preceding day or possibly the day before. Now, when the bill is passed and the House is waiting to get the bill, the news comes to me from newspapers—and from what the Senator from Arkansas said it must be true—that the Federal Feserve Board was called into hurried session to consider what the Senate had done. Then and there they issued some kind of a pronunciamento, edict, or what might be termed a "papal bull", ordering proceedings suspended until they could get the thing in hand.

Mr. President, I want to get the status of the bill. If anybody moves to reconsider it, I want to move to lay that motion on the table and get the bill to the House. I want to get the bill through the hands of the Senate and get it to the House in parliamentary manner, because these poor people at the forks of the creeks and in the little communities are absolutely paralyzed for want of banking facilities.

Mr. ROBINSON of Arkansas. Mr. President, I have, so far as I am concerned, consented that the matter shall go over for the day. I intend to keep faith with that consent, and I shall object to proceeding with the matter now for the reason that I did state to the Secretary of the Treasury that I would not insist upon action today. The House is not in session. To take the action now would not speed final action on the measure.

I wish to say that it is desirable from my standpoint to dispose of the subject matter as soon as possible. It was taken up in the Senate at my request by unanimous consent and, as will be remembered by all Senators who were present, it was discussed at some length by a number of Senators. In that view of the matter, when the Senator from Virginia [Mr. GLASS] stated that he intended to submit the motion to reconsider, I requested him not to make the motion until he had satisfied himself whether he desired the Senate to recede from its action on the bill. He did not make the motion. He is ill today and unable to be in attendance in the Senate. It is my expectation that when the House meets again tomorrow the bill may be messaged to the House unless some other satisfactory arrangement is made.

The VICE PRESIDENT. Will the Senate permit the Chair to call attention to the rule and the precedent with reference to why the bill was not messaged to the House of Representatives? The Chair holds in his hand the precedents and decisions on points of order in the United States Senate, 1789 to 1913, by Mr. Gilfry, from which he desires to read.

In the Forty-fourth Congress, first session, February 1, 1876—

> Mr. Ingalls rose to a question of order and stated that a bill which passed the Senate on Thursday last had not been sent to the House of Representatives, but had been retained by the Secretary for 2 days, at the request of a Senator who desired to enter a motion to reconsider the vote on its passage; and asked the ruling of the Chair upon the question whether under the rules of the Senate it was competent for the Secretary to retain the bill, after its passage by the Senate, at the request of a Senator, for the purpose of making a motion for reconsideration within the 2 days that are allowed by the rules for that purpose.
>
> The President pro tempore (Thomas W. Ferry) stated that such had been the uniform usage of the Senate, inasmuch as the rule gives the right to reconsider within 2 days next following the day of the passage of the bill; but would submit to the Senate the question whether the passage hereafter shall be in conformity with prior usage or shall strictly conform to the rule. No further action.

So it would seem that the Senate, so far as a vote of the Senate is concerned, has not passed definitely on the question of whether or not a Senator has the right to hold up a bill. It seems that the rule does not give any Senator the right to hold up a bill, but the uniform custom of the Senate seems to have been to hold up a bill at the request of a Senator.

Mr. COUZENS. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. I assume, under what the Chair just read, that I would have been in order on March 9, when we passed the emergency banking bill, if I had quietly gone to the desk and said to the clerk, "Just hold this up," and the clerk, under that procedure, would have held it up. Tonight, if we pass the emergency economy bill, it would be perfectly proper for me to walk up to the desk after we adjourn and say to the clerk, "Hold this up because 2 or 3 days hence I desire to file a motion to reconsider."

That kind of thing is entirely reprehensible and improper. In a case such as that of yesterday, following the passage of the emergency banking bill, with nearly everyone in the Senate unanimously agreeing to it, one Senator could have gone to the clerk and had the bill held up. I insist if that is the practice that I shall, after the passage of this bill, go to the clerk and ask him to hold up the bill until I have time to file a motion to reconsider.

Mr. LONG. Mr. President, the Senator from Michigan is out of order because the Federal Reserve Board had not said to hold up the other bill.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. LONG. I want my 30 minutes until I get through with this thing.

Mr. FESS. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. I yield for a question, but only for a question.

Mr. FESS. I want to go to a parliamentary question.

Mr. LONG. Go ahead.

Mr. FESS. It appears to me that we have put the clerks at the desk in rather an unfavorable position, which I am sure none of us want to do. Constantly Senators are going to the desk and saying, "Count me for a quorum. I will be just outside" or "I will be down in the restaurant." Because it is the custom, the clerks do that; but if anybody called attention to it officially, they would be subject to very severe criticism, no doubt.

The same practice prevails when a message comes from the House. A Senator will go to the desk and say, "I would like to have this held at the desk and not referred to a committee. I would like to have it held until a certain time, when it can be called up." So a Senator will ask the clerk to hold it a while.

I think the same thing occurred in this case. I think it is a practice which is entirely out of order. For the sake of the clerks at the desk it would seem to me we ought to pass a resolution one way or the other and not put them in a position where they can be criticized for violating a custom that has heretofore been observed.

Mr. LEWIS rose.

Mr. LONG. Would my friend from Illinois wish to ask me a question?

Mr. LEWIS. No. I rose with a view of taking the floor, thinking the Senator from Louisiana had reached a conclusion.

Mr. LONG. No; I was about to get to that conclusion.

Mr. President, I wish to say in answer to the Senator from Michigan [Mr. COUZENS] that the only difference between holding up a war bill and an economy bill and a Wall Street bank bill, as I will call it in order to segregate them, is that the Wall Street bank bill had to go through. It was not held up. The only difference between them is that the Federal Reserve Board edict was not issued in the one case as it was in this case. That is all the difference there is. Of course, it is a ridiculous proposition. I am not criticizing any clerk or anybody else, and I am not criticizing the action taken by the Senator from Arkansas; I am entirely too grateful to him for introducing the measure designed to afford help to the State banks; but I say it is a ridiculous proposition that we are held up here now as we are.

I am not going to make any motion at this time. I brought this matter to the attention of the Senate, and during the day I hope that I will receive some advice regarding it; otherwise I may find it necessary to bring it again to the attention of the Senate and to the attention of the Senator from Arkansas and try to secure some action, because it is a whole lot more important to my people, who are starving and needing some help, that they be accommodated than that Mr. Eugene Meyer, following his next dinner engagement and his next call at the Federal Reserve Board, may decide to do something about this question.

Furthermore, it is very important to find out whether the Federal Reserve Board, which is a very successful Board, is to intervene every time Congress undertakes to pass a law, because that is the Board that succeeded in closing all the banks of the United States on the same day, the first time, as I said the other day, since Columbus discovered America that such a thing has happened. We have never had a Government function performed so successfully as has been done in this instance by the Federal Reserve Board. They fought inflation, and they fought the little banks, and now are we going to allow the set that closed up the banks of this country to sit in here? They have been trying to close down the State banks, and in their efforts to break the State banks they broke big banks with them. Are we going to allow that set to come in here and hold up an act of Congress and keep these banks closed throughout the length and breadth of this country?

I want to say right here, by way of advice to my friend, the President, that he had better get that set away from here if he expects to do any good for the American people. If he wants something good done for the American people, a public contribution, he had better ride Eugene Meyer out of this town as well as Ogden L. Mills, and everybody else connected with that set.

You can pass all the laws you want to, but with that set sitting around here, the American people would be like a guinea sitting on a nest, for as long as you take the eggs out with a long-handled spoon they will not know who has been there. You can pass all the laws you want through Congress, but with Eugene Meyer sitting up there and running the Federal Reserve Board, and the rest of the gang, they can wreck, ruin, and absolutely destroy the finances of this country and the common people. I resent their coming here and putting their bill into the work of Congress and holding up this legislation.

Mr. LEWIS. Mr. President, I do not address myself to what appears to be some complication touching the procedure affecting the banking bill. I address myself to the measure that is before the Senate, entitled the "economy bill." I am anxious to have the attention of the Senator from Indiana [Mr. ROBINSON] and that of the eminent Senator from Michigan [Mr. COUZENS]. I heard with increased interest this morning the record of defense tendered by the eminent Senator from Pennsylvania [Mr. REED] in reply to the query and the record produced by the Senator from Idaho [Mr. BORAH]. There seems to have been an inclination by these Senators to clear the record of certain eminent officials whom we speak of as past Presidents of the United States—Harding, Coolidge, and Hoover. I am very anxious that statements appearing in the RECORD this morning that touch the reputation and make reflection upon the official record of the present President and that of his coadjutors and aides be either correctly understood as being no accusation or as being an intentional indictment. I desire that the charges be followed to where they will either be proven or at once disproven, dislodged, and repudiated.

Mr. President, while this measure looking to the question of the economy of Government, and partaking, of course, in part, of something of a modification and readjustment of the compensation of soldiers is pending, it is charged upon the floor that those of the administration dare to indicate to, if not to threaten, Members of the House of Representatives that if they did not support the bill they would be punished by withdrawal of favor and denial of what is called political patronage. I wish to present at this moment that if the time has come when at the very beginning of this administration there are those who will lend themselves to give circulation from anonymous characters in our country these libels upon the Government, these slanders upon its officials, with a view to defeating a measure by impugning the character and the eminence of those holding office in the Republic, we might as well understand now that such is to be the tactics. Here I say that it is to be met as gentlemen would meet it, on the one hand, and as courageous statesmen would defeat and overthrow it. If, on the other hand, these are but idle gossips without durability of substance, they ought to be promptly repudiated and cast out of this body as a place where no one will be tolerated to bring an anonymous slander upon the officials of this great Government exercising great office with great authority and weaken the administration before the public mind of our own country and disgrace it in the estimate of the world.

Mr. President, I took it upon myself to make some inquiry as to whence came the charge. I am unable to locate the authority. The eminent Senator from Michigan [Mr. COUZENS] denied yesterday that it was his intention to recite the names of those who, it is said, had made this charge, but refrained from further details.

Mr. President, we cannot defeat legislation that is honorable and just by smirching it with a slander nor should we oppose legislation by characterizing the head of the Government with the intention of perpetrating a bold act of public bribery. If there has been a movement afoot by any of the officials of this Government to attempt to bribe the members of the legislative body, either with the offer of patronage as payment or the withdrawal of it as punish-

ment, this is the place to speak the names. This is the place to reveal the individuals. This is the place to visit the castigation upon those who either make the false charge or those who offer to have visited such penalty upon any Member of either House for exercising his conscientious duty.

I will not believe that any member of this administration has ever made any such threat to either Member of the House or Member of the Senate, but we cannot leave the statement, published through the press, as is their privilege, to go out to the country that we are now seeking legislation which in itself is so lacking in merit that we are compelled to stoop to the low and contemptible level of bribery in order to secure the votes for its passage. I denounce the authority, whoever it is, and I demand the designation of the names of those who, it is said, make the accusation. I ask for proof of the accusation if the accusation will now longer be indulged. I am deeply sorrowful that at the very outset of this administration it is now to be met by such methods, ancient in their origin, long in their practice, but contemptible in their indulgence. We recall with great interest, sir, that it was a great king, as is recorded by the wondrous bard, who expressed that which here we repeat:

> No might nor greatness in mortality
> Can censure 'scape; back-wounding calumny
> The whitest virtue strikes. What king so strong,
> Can tie the gall up in the slanderous tongue?

Mr. President, if we had nothing but silence as against the call for the detail of this accusation, then we are compelled to conclude that it is because there is a lack of proof, or a want of courage on the part of the accuser. Here and now we will await further developments to see if this shall be the habit continuously, when to defeat honest legislation on the part of the new President in his undertakings, or those of his followers, there will be those in the legislative body or members of this Government who are content to send their own country before the world as disgraceful for the purpose of defiling the effort on the part of the President or defeating legislation which his opponents may oppose.

Mr. President, we listened with considerable interest to the distinguished and brilliant Senator from Indiana, who, as he gravitated to the schedule of the Treasury, adverted—in accusation inferred—to the large interest rate which he assumed had been paid through some form of exaction by this Government in its new refinancing. The Senator from Indiana invites us to the consideration that whereas in previous instances for the very small rate of 1 percent or a half of a percent a financial scheme had been perfected, that now a very large interest rate had been charged by those who purchased the securities, thus making the loan to the very great loss and possibly to the embarrassment of the Treasury and of the Government. I ask the able Senator from Indiana if he will not concede that if such conduct has transpired as he charges that it was the financial powers, whoever they are and wherever they may be, that have taken advantage of the exigency of our Government, the emergency of their own country, and held it up and bled it in the form of excessive interest, forcing the payment to meet the conditions which surround us, which all regret and everyone is compelled to meet. And if it be true——

Mr. ROBINSON of Indiana. Mr. President——

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

Mr. LEWIS. In a moment it will be my pleasure to yield. And, if it be true that the excessive rate has been exacted and has been paid, may I ask the Senator from Indiana in what manner could his own Government have defended itself and how as against the exaction this new administration now entering upon its duties could oppose this oppression, where the old administration with all its power could not?

Sirs, the former administration has granted great favoritism in behalf of the financial masters of the East; yet these powers, notwithstanding the reciprocity which was due the Government for the constant favors they had bestowed, had to yield to this, the same form of operation such as the Senator recites as against the present administration. I ask the Senator from Indiana what bankers will he charge with the offense, what financiers will he name as having perpetrated the infamy and outrage which he correctly defined in his remarks as against the Treasury, and the momentous oppression he describes upon the Republic of the United States in the hour of its peril? I yield now to the Senator from Indiana.

Mr. ROBINSON of Indiana. Mr. President, I said yesterday that I thought the interest rates for the refinancing were outrageous at 4 and 4¼ per cent interest. The Senator from Illinois certainly knows that Treasury certificates, such as today's issue, can be offered at a stipulated rate, and that the Secretary of the Treasury stipulates the rate. He could offer them at three quarters of 1 percent, and, in my opinion, they would have been oversubscribed a billion dollars and more. Instead of that, however, for some unaccountable reason no notice is given; they are offered at 4¼ percent, and that rate was designated by the Senator from Maryland the day before as usurious. I agree with that characterization of such a rate. It was usurious. As a matter of fact, he could have offered bills for discount at a competitive rate; but, for some reason or other, the general public was not given an opportunity to bid on this issue.

Let me read to the Senator from the New York Times in answer to his question.

Mr. LEWIS. Is the Senator addressing an inquiry to me, or interpolating a speech in my remarks?

Mr. ROBINSON of Indiana. No; I am answering the Senator's question.

Mr. LEWIS. Then I yield for that purpose.

Mr. ROBINSON of Indiana. But since the Senator asks me directly, let me give it to him in detail.

Mr. LEWIS. Let me hear the Senator in anything he would desire to say, in detail or in general.

Mr. ROBINSON of Indiana. I thank the Senator so much. He is so kind.

In the New York Times of March 12, last Sunday, appeared this article:

> In addition to being Federal tax day, the 15th of March, in A.D. 1933, and of the independence of the United States the 157th, will be the day for meeting Treasury maturities of approximately $700,000,000. Apparently, at this writing, the Treasury maturities will be taken care of through the Federal Reserve regional banks instead of through the general market as customarily.

Now, I ask the Senator if he knows—I am not, of course, in a position to act or speak with authority for this administration, for very obvious reasons——

Mr. LEWIS. Very obvious, indeed. [Laughter.]

Mr. ROBINSON of Indiana. I ask the Senator if he knows why the public was not given an opportunity to subscribe for this issue, and why such usurious rates were set as 4 and 4½ percent, when the new administration that now seeks to take money away from the veterans could have thereby saved $20,000,000 in interest alone. That is my answer to the Senator's question.

Mr. LEWIS. To which I answer that it is not the answer to the Senator's question. It is the observation of confusion, without intelligence, financial or personal. [Laughter.]

Mr. ROBINSON of Indiana. What is the Senator's question? Will the Senator state his question again?

Mr. LEWIS. I ask the Senator, since he denounced what he called the interest rate which we are compelled to pay—I ask what banking and financial institutions does he have in his mind as those that imposed this charge upon this Government and forced us in the emergency to pay it, without regard to the question of advertisement, or without regard to any procedure? What is the institution that has charged this unjust, usurious rate upon the Government?

Mr. ROBINSON of Indiana. Mr. President, I never made any such charge as the Senator suggests. I said that, in my opinion—I may be wrong—the Treasury Department could

have financed this issue of bonds for less than 1 percent interest instead of being forced to pay 4 and 4¼ percent. I do not know how it was arranged, but someone on the floor mentioned the day before that 2 weeks ago it had been arranged. Arranged with whom, I ask the Senator in return? I answer his question by asking him one. A Member on the other side said the loan had been arranged two weeks ago. I asked the Senator, with whom was it arranged.

Mr. LEWIS. Then, as I understand the Senator from Indiana, what he indulged in yesterday with his accusation against the administration was the general deduction of his own presumptions upon the audacious assumption that he knew something about finance. [Laughter in the galleries.]

Mr. ROBINSON of Indiana. No, no, no, Mr. President.

The VICE PRESIDENT. The occupants of the galleries will refrain from manifestations of approval or disapproval.

Mr. ROBINSON of Indiana. The facts are very patent. Here they are:

We have always paid less than 1 percent, in the past year, on all of these issues. This administration starts by paying 4¼ percent. That is the whole story. Why did the administration do it? I do not know. The Senator will have to answer his own question. With whom was it arranged? I presume with the Federal Reserve Board.

Mr. LEWIS. Mr. President, it is apparent, then, from the statement that there does appear to be some condition where, under another administration preceding the present one, certain loans, as the Senator from Indiana must know, or he would not have made the allusion, were obtained for so small a sum as 1 percent interest; and when the Democracy comes into power, the representative of the masses, and seeks justice to the great, common mass what is known as the "forgotten man", the powers who control the finances, through the favoritism and privileges which have been granted them by the previous administration, promptly seize upon the disadvantage of the Republic under the present hour—caused by the act of a previous administration of power—and hold it to this excessive interest to which the Senator alludes and this because of its lacking in capacity or opportunity wherein it may serve the immediate needs of the country save by yielding to these inexorable demands and this oppressive rate.

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. LEWIS. I am addressing myself to the bill, Mr. President.

The VICE PRESIDENT. The Senator is recognized for 30 minutes.

Mr. LEWIS. Mr. President, I have been hearing for some time, while this bill has been in process, the threat that the method of opposition to the measures that will be advocated by the administration in power is first to make such charge or accusation against those who advocate them as having a motive beneath the honor of the legislator; and foreign from all justice and decency of any political administration. These indirect and subterranean accusers know that when they have gone to the country with such charges in sufficient repetition, then through the press or from the mouths of the false advocates they have convinced the public mind that there are underground and disguised methods being pursued on this side of the Democracy—or in the heart of the administration. This process of insinuation robs the measure of its due high credit, and takes from it, sir, the just reputation of a measure of relief of the people. The opponents by this devious course can defeat the measure by having it slandered by a press that misunderstands it—merely quoting the charge—thus the whole legislation is doubted and accused by a public that has been misled and misinformed.

At the very outset, let it be understood that, so far as my humble voice may reach, I shall not permit these beginnings of an old system which shall have for its purpose the denying of a just hearing to the administration in behalf of these measures by anticipating them first with a slander of accusation, then seeking to sustain it by hearsay testimony or the anonymous authorship of the unknown whose positions, if known at all, would be so insignificant that it would be contemptible on the part of intelligence to recognize them or to quote them.

Mr. President, I therefore arose at this moment to meet these two things: First, I want the country to know that if these exactions have been put upon this administration as the eminent Senator from Indiana charged, and if there be a record of such, this is the hour when the American public who sent this official servant to office should know who it is that has now taken advantage of the moment to rob the American public and place it under immediate obligation of these excessive interest rates and drain the lifeblood of the Republic when they find it powerless, like a poor victim who lies upon the highway who has been beaten down by a robber; sir, in the hour of this exigency I would ascertain who are these who have done this thing; I would demand their names, be it banking house or personal financier; I would find out to whom we have been forced to yield, if such be the fact, as the eminent Senator from Indiana charges.

I would go further. If the time has come when any set of men in this Republic holding the power of finance and taking advantage of the Republic and of those we speak of as the soldier and his dependents for the purpose of draining them to the dregs, and shall have done so by a process of combination which prevents competition or the appeal to the public with any hope of result, I will arraign them before the bar and charge them with criminal conspiracy. Then I would hold them up to the bar of justice, where they may be tried first before the courts upon the law; second, by public opinion from the sense of justice of the human heart. I will not allow the members of this administration to bear before the public the ignominy and contumely following from the act when they in their innocence were powerless to defend against it and were made the victims of the oppression, of the conspiracy which has been perpetrated.

Mr. LONG. Mr. President, will the Senator yield for a question?

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

Mr. LEWIS. I yield to the Senator from Louisiana for a question. My time is limited.

Mr. LONG. I am very much impressed with what the Senator is saying. I wonder how we are going to get out of this morass with the Republican comptroller, Mr. Awalt, and with the head of the Federal Reserve Board, Mr. Eugene Meyer, sitting in the saddle, running this thing as they have been running it. How are we going to get out until we get that gang out of there?

Mr. LEWIS. I do not exactly understand whom the Senator alludes to as "these individuals"; but there is one part of his question that attracts me very much when he speaks about getting out of this morass. That is the trouble; there is all about us too much more-ass. [Laughter in the galleries and on the floor.]

The VICE PRESIDENT. The occupants of the galleries will be in order.

Mr. LEWIS. Mr. President, I likewise am compelled to ask the occupants of the galleries if they will be considerate enough to remember the regulations, upon the enforcement of which it is part of my duty to insist. I am taking more time than is my object. I answer the Senator from Louisiana more directly to the point: Whoever is responsible for these conditions, those to whom he alludes—which I do not understand, neither the persons to whom he refers nor the act to which he alludes—but, wherever they are and whoever they are, I say as to those the time has come when this administration shall tell the people, by whatever name you call them, Republican or Democrat, that if they shall reveal to the country the authors of the act—and as to them—we will not tolerate the conspiracy from any such. This, sirs, we say, will be done whether it shall be from those who repeat the confessed tragedy of conduct on the part of the National City Bank and its officials in New York, the

Chase National Bank of New York City, or those of the farther west wherein I live, and their master conspirators who join them in the amalgamation for the destruction of the credit of America. Particularly do we do this to protect the administration because it has fallen into the hands of those who, instead of aiding this administration to distribute rightfulness and adjust righteousness to the common people, would destroy hope and honor as they rob the Nation, if they shall. Sir, I assert that there will be at once, so far as we are able to invoke it, that power that shall bring the highest to book and make them bear the consequences that the lowliest and defenseless have been compelled to bear in the hour of their offenses or their infirmity.

Mr. LONG. Mr. President, will the Senator permit me to ask him one more question?

Mr. LEWIS. Yes; I yield to the Senator from Louisiana.

Mr. LONG. Are you going to do that, with Eugene Meyer and Awalt running the thing as they have been running it? How are we going to do it with the same gang running it that has been running it?

I want to get an answer from the Senator, because I know he is learned on the subject. How are we going to get an administration that is going to do the people any good with Eugene Meyer sitting there running it, and with Awalt sitting there running it—that the Senator and I have been complaining about? How are we going to do it? I just want to get information.

Mr. LEWIS. I am willing to concede to myself, however flattering, that I am able to impart information to my able friend from Louisiana [laughter]; but as to this particular subject, whether I can or not I have serious doubts. I do not understand what it is that my able friend from Louisiana charges as to the gentleman called Mr. Meyer, or what particular conduct he alludes to as "the gange". I do not know which particular "gang" he alludes to, or what particular things have been committed by those whom he characterizes as "the gang". I have no doubt that something must have transpired to enable so eminent a statesman and so skillful a philologist as my eminent friend to characterize them as "the gang"; but I will say to him that if it is his opinion, whoever they are as to whom he makes the charge that are responsible for these conditions, it behooves him, in the enterprise and energy which he discloses on this floor, to bring them to book by accusation by which we may know in detail their offenses, and by which we collectively can punish their crimes.

Mr. LONG. Mr. President——

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

Mr. LEWIS. I do.

Mr. LONG. I thought we brought them to book by the election in which we promised the people of the United States that we were going to put that crowd out of there. Did we not do that, or what did we have this election for? We did not have to elect anybody to keep him in. They were in there, running things, as it was. Why have an election to change this financial set-up if Meyer is going to remain there, running the Federal Reserve Board, and Awalt is going to sit there running the banking system? Why have me go out and beg my people to give $40,000 to a campaign fund to put that gang out of there when we could have kept the money, and they would have stayed in there anyway?

Mr. LEWIS. Mr. President, I am not conscious of any particular issue as to these particular individuals, and I do not know any particular issue touching this particular "gang" to which my friend refers, or any particular pledge that is putting any particular individual out of place, but, if there was such, and it was made in the campaign, in the election of the honorable gentleman now President and the distinguished gentleman presiding over this body, the Vice President, the Senator from Louisiana may rest secure that if the pledge went forth and the promise prevailed, it will be carried out and in proper time wholly fulfilled.

I am compelled to reply to him, though, in one other respect. I should like some details, so far as the eminent Senator from Louisiana is concerned, when it meets his pleasure and propriety, to detail in what way, if these individuals are responsible, their responsibility arose, and wherein the offense is committed. I am very anxious to see, with the Senator from Indiana—representing an opposite political theory, but in this particular matter with the same object in view— the cleaning of the house of the culprits who, in the name of the offensive interests, are assailing the rights of humanity in America. Also I include all those who are responsible for having foisted upon this Republic this overwhelming calamity, driving this Nation upon the verge of bankruptcy and to bear the disgrace of a nation charged with repudiating its debts and dishonoring its credit.

Mr. President, I conclude. It is to say, sir, that here is a measure before the Senate the purpose of which we should understand. This Government has been brought to the unhappy destiny and emergency which all concede, and the fate which it now suffers is part of the inheritance of an administration previous and that which is the result of it.

The question is, What can be done? The President of the United States and the administration for which he speaks is called again to borrow. The Senator from Indiana alludes to one set of borrowings—the one from the banks. We take the other. We are turning to the soldiers, and seeking to borrow from them for a little while something of that which heretofore they have enjoyed as income. We are asking them to forego for a little while that that which is theirs may be used again in money for the needs of their country, as once before they lent their life for the life of their Nation. We are conscious that under the bill and its provisions the method is still preserved where every penny taken from them temporarily will be returned justly, without regard to partisanship or politicial designation. That when this is done it will be done under the privileges accorded under the bill, through the regulations of the department in which there will be invested the authority.

Let this be understood. There are those who criticize features in this bill, and two sections of it, as if it were something that drained the soldier of his rights and perpetrated some oppression upon the people in its practices. Sirs, let me say to those who have made these accusations that this is a copy, literally, verbatim, of a law which heretofore existed under the McKinley administration and the Taft and Roosevelt administrations which succeeded. Under these the laws of administration gave authority to the Commissioner of Pensions to carry out literally that which is now transferred to whatever may be the board that this Congress may create. Where is there even a change in a comma, in the cross of a "t", the dot of an "i"? So that it appears that for years the same provision was vested as a privilege and power and authority in the Commissioner of Pensions. Now, suddenly, the same regulations and authority have become anathema when merely repeated and vested in the President of the United States under this act to transmit to his Commissioner of Pensions, by whatever name he may be called, a board or commissioner to be created, or to whom the measure is committed for administration.

Mr. President, under these conditions, duplicating the past, well-encrusted in honorably history, the Senate of the United States merely asks that opportunity be given to carry the legislation by the President through such means as will accomplish the end, do no wrong to anyone, reserving within himself at the proper time the return of all of that which may have been temporarily withdrawn, and under no circumstances to leave any permanent disability upon any human being.

It has been said, sir, by eminent Senators on the floor whose judgment I so greatly respect—I allude, as in illustration, to the eminent junior Senator from Missouri [Mr. CLARK], whose splendid career in war, as in that of legislation, is a credit to his constituency—that we are proceeding, as he sees it, to entrench upon constitutional privileges and the liberty of the Government. My eminent friends over on the other side in one or two instances have asserted

that the bill extends itself to where we are bestowing dictatorial powers on the President, in violation both of the policy of the country and the Constitution of the United States.

Senators, it is overlooked there is no such thing in such a bill. There is no such bill before the Senate. There is no such bill anywhere before the American Congress.

Here is a bill in which the Congress of the United States would temporarily authorize the President of the United States, as the mere agent and executioner, to take upon himself certain powers to be carried out. In the meantime the measure reserves, as the Congress does, the right of repeal of the measure in any hour or any day when any effort of oppression should be undertaken or any privilege conferred under the bill is abused.

Congress, with its reservations, with a measure in its hands, with the interest of the people in its heart, holds the power as well as the privilege of ever controlling the administration of the measure, as it does the privilege of passing it.

If this were a dictatorial power, as in the days past were voted from the Roman senate sometimes to the emperor, by which the power passed out of the legislative branch, there would be basis for some of the fears expressed by these eminent authors and eminent advocates of the Constitution. There is no insistence on this point more ably put forth than from the eminent Senator from Nevada, lately distinguished judge of the highest court, Senator McCARRAN. These fears, as expressed by him, serve a great purpose. They invite serious attention, and call to the attention, not only of the country but of this body, as to what seems to be a sincere fright and one which should be examined into to ascertain if it is real or if it is one that is born of unfounded apprehension.

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

Mr. LEWIS. I yield.

Mr. CLARK. Will the Senator be kind enough to point out the section of this bill which makes this a temporary grant of power? I have been unable to find any limitation making it a temporary grant.

Mr. LEWIS. I answer my able friend, there is no such thing as permanent legislation in the United States. A bill passes; it can pass today, and the inherent power of this body may repeal it tomorrow. There is never any yielding on the part of Congress of the power to control either its legislation, by repealing it or modifying it, or withdrawing its power from the officer who has been intrusted to execute it.

Mr. CLARK. Is it not true that in granting this power to the Executive the power to repeal necessarily involves a willingness on the part of the Executive to relinquish the power which we are granting by this measure?

Mr. LEWIS. It would involve, not his willingness but it would carry, of course, necessarily the duty of a signature from the President to the repeal bill. It cannot be presumed by me that there could arise an officer in the American Government who would so dare defy the will of the public that he would seek to hold an authority against the expression of the Legislature. If there was such a one, the very attempt of doing so would arouse such revolt that the two thirds necessary to overcome the presidential veto would be cast with an overflowing rush, to the utter demolition of measure and destruction of the official.

Mr. CLARK. The Senator certainly does not mean to suggest that it is by any means unprecedented for the Executive of this country to veto an act of Congress which he claimed was taking power away from the Executive?

Mr. LEWIS. I yield my friend that no doubt such has happened, but not by such a Democrat as occupies the White House in this administration. I would not believe that any Republican believing in the Constitution and loving his country would ever commit such an affront against the liberties of the Republic. I have no doubt that the eminent Senator himself has some example when something of the kind may have transpired, but for myself I cannot accept such as a precedent that will be any guide, much less authority, to those who now have heard the voice of the people and taken their direction at the ballot box. Those now put in the Presidency are executing it for the needs of humanity and the righteousness of the laws of the country, the preservation of its people, the Constitution, and the restoration of prosperity in the Republic.

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

Mr. LEWIS. I yield.

Mr. BARKLEY. I merely wanted to suggest to the Senator from Illinois that if we now were considering a bill in detail of such a nature as may be the regulations issued by the President, if we could anticipate that, we would encounter the same difficulty after the enactment of such a law if we should repeal it and have it vetoed by a President. It would still require two thirds to overcome that veto, just as it will require two thirds to overcome any veto that may be the result of an act we might pass at the end of 4 years, beyond which the President cannot exercise the power conferred upon him in this measure.

Mr. LEWIS. It is well, Mr. President, from time to time to be refreshed by these items of information from able statesmen such as the eminent Senator from Kentucky.

I therefore say, sir, that as we reflect upon the situation we must not be misled into this terror which possesses many able minds upon this floor nor feel for a moment that we are on the eve of committing some great assault upon the Constitution and a violation of some fundamental doctrine of liberty of our Government merely because there are some who honestly fear the precedents and others from the outside falsely accuse for the purpose of defeating an honest end.

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

Mr. LEWIS. I yield.

Mr. McCARRAN. Referring to section 5 of the bill, the Senator having stated that there are no arbitrary powers conferred by the bill, is it not true that that section itself takes from the present law all of the rights that individuals have in the courts of this country to determine any controversy they might have, so far as a soldier's claim is concerned?

Mr. LEWIS. Mr. President, I have heard the able Senator from Nevada advert to this feature. I am unable to agree to the construction that has been placed upon the paragraph. The fact that we transferred to the administrative department certain work that heretofore has been undertaken by the courts is one which is not without precedent. We have done it in the matter of taxation by creating a Board of Tax Appeals to consider cases instead of the courts. We have done it in the Department of Agriculture by allowing the Secretary of Agriculture to pass and judge upon matters of administration. We now have it, sir, in every department of the Government. We have it sustained by the United States Supreme Court, from *Field* v. *Clark* (143 U.S.) to *Butterfield* v. *Stranahan* (192 U.S.)—all leading to the *McKinley case* (249 U.S.).

Therefore, I answer my friend, conscious of his great ability both as a judge and as a Senator, that there are no dictatorial powers in the bill. The powers are permissive. The bill authorizes certain conduct, but it vests no dictatorship. The powers may be changed by either repeal by Congress at once or immediately after the act, and any course the President may take Congress has ever the power, the reserved power, of revising and repealing it; and the provision to which my able friend the Senator from Nevada alludes is a mere transfer of administration.

Finally, Mr. President, I must insist that the provision that is assumed to take away from the courts the privilege of any soldier does not operate in that way. The provision merely takes away such matter that is then before the court and transfers it to the administrative board, but that administrative board is still subject to such course as will be taken by a court over any other administrative board that attempts to exceed its jurisdiction or to violate constitutional rights.

Mr. LONG and Mr. McCARRAN addressed the Chair.

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

Mr. LEWIS. The Senator from Louisiana having taken the floor first, I yield to him, and then I will yield to the Senator from Nevada.

Mr. LONG. I have the "dope" on Eugene Meyer, to prove that he is a crook, if the Senator wants it. [Laughter in the galleries.]

The VICE PRESIDENT. The Chair may call the attention of the occupants of the galleries once more to the fact that they are guests of the Senate; and, as guests of the Senate, they undoubtedly desire to comply with the Senate rules. The rules of the Senate require that there shall be no demonstrations whatever in the galleries concerning the proceedings of the Senate. I hope the guests of the Senate will observe that rule.

Mr. LONG. Mr. President, I want to say to the Senator——

Mr. LEWIS. If the Senator from Louisiana will possess his patience for a second while I yield to the able Senator from Nevada upon the measure which we are now discussing, I will then see if I may yield to the Senator from Louisiana upon the important mission which he speaks of as "the dope." [Laughter.] I yield first to the Senator from Nevada for whatever information or inspiration I may obtain from that source.

Mr. McCARRAN. I do not want to have anything to do with or to say about Eugene Meyer because I do not know anything about him. I want to address my question to the Senator from Illinois on the far-reaching effect of section 5 of the bill and pursuant to his statement just made wherein he said—and if I am in error in quoting him I wish to be corrected, of course—that the act of any board and the act of the Administrator under this bill, if it becomes a law, would be reviewable by the court. Is it not true that the language of section 5 is specific in denying that very right and privilege?

Mr. LEWIS. I am compelled to say to the able Senator from Nevada, and I hesitate to differ with him on a matter of law both because of his capacity as a lawyer and his proven ability as a judge, that section 5 is similar to one of the provisions that prevails in the Department of Agriculture as to the administration of the regulations touching agriculture or that which applies to the Reclamation Bureau, and is a specific copy of that which applies to the Interior Department, to oleomargarine and to the regulations touching oleomargarine which have obtained heretofore and are now administered by that Department.

It is intended to mean that decisions rendered by the Administrator of Veterans' Affairs, under the provisions of this title or the regulations issued pursuant thereof, shall be final and conclusive on all questions of law and fact—meaning within the jurisdiction of the Administrator. It does not mean all questions, I must say to my able friend. It means those specific things described which are mere matters of routine in the Department which, if there were not a word in the bill, any court would hold are mere matters of procedure and, therefore, wholly vested in it by the act of Congress and not subject to mere review upon some construction of the law apart from mere regulation. If the bill meant that this individual, whoever he is, deciding the right of an individual under the general law, could not be reviewed, the eminent Senator from Nevada could not be questioned then in contesting it.

But the provision is only one specifically prescribing that in those specific matters vested in this officer, which are but administrative regulations, they and they only are to be passed upon by him, and the court is not to review them, because that would put the court to where the court would be administering the act instead of the Administrator to whom it is intrusted by the act of Congress.

Mr. McCARRAN. Mr. President, will the Senator yield further?

The VICE PRESIDENT. The Senator from Illinois has only half a minute remaining.

Mr. LEWIS. I should like to employ that unless the Senator from Nevada feels that the half minute is of more value to himself.

Mr. LONG. Mr. President, may I give the Senator from Illinois part of my time so he may get through?

Mr. LEWIS. I would imagine the Senator would need all his time in view of the undertaking upon which I just heard him protest that he wishes to enter. [Laughter.]

The VICE PRESIDENT. The Chair understands that the custom of the Senate is that no Senator may yield his time to another.

Mr. LEWIS. Let me conclude, as I prefer not to take the time of others.

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. LEWIS. I believe I have some time on the amendment, have I not?

The VICE PRESIDENT. No. The Senator addressed himself to the amendment in the beginning.

Mr. LEWIS. No; I think I announced that I addressed myself to the bill. I anticipated this very hiatus occasioned by the questions of my colleagues.

The VICE PRESIDENT. The Chair is always governed by the time clerk. The time clerk advises the Chair that the Senator has occupied 15 minutes on the amendment and 30 minutes on the bill.

Mr. LEWIS. If such has been occupied, then I have exhausted my time and I yield the floor, graciously thanking my colleagues for indulging me to press to the Senate the duty of obeying the will of the people expressed in the election of the present President, and to multiply to content and happiness the now awakened and revived confidence displayed by all our people and our Nation in the new administration and its promises of performance.

And here it is that we repeat, with the Apostle Paul, that we "thank God and take courage."

Mr. ROBINSON of Indiana obtained the floor.

Mr. LONG. Mr. President, will the Senator yield to me? I will take only about 10 minutes.

Mr. ROBINSON of Indiana. If the Senator desires to take that much time, permit me to say that I can probably conclude in 10 minutes and then the Senator can go right ahead. I want to answer the Senator from Illinois [Mr. LEWIS], because he challenged me on some things that took place yesterday.

Mr. LONG. All right; go ahead.

Mr. ROBINSON of Indiana. Mr. President, I hesitate to take issue with my esteemed friend from Illinois, himself a gallant soldier of the Spanish-American War, but he has made two or three statements that I think should be answered.

The Senator from Illinois suggested among other things that the times in which we find ourselves now are dire, very difficult to bear, and very largely due to the rule of the last administration. In other words, one would assume from the Senator's statement that the panic in which we now find ourselves, the depression, is entirely the work of the last administration. That in itself is a species of slander. The Senator inveighs against slander. He is shocked because anyone on this side of the Chamber would even suggest anything about anyone connected with the present Democratic administration critical in any degree whatever, because it would seem to be slander, and in the same breath he himself slanders the recent administration by calling it responsible for conditions existing now, which the Senator, as he sits there in his seat, must know is not true.

Mr. President, the situation in which we find ourselves is the aftermath of the great World War. Every Member of this body knows that to be true. You cannot destroy $200,000,000,000 worth of material wealth and 40,000,000 human beings without paying for it. We are paying for that war today. I hardly suppose the Senator from Illinois in the wildest flight of his imagination would charge that the Republican Party was responsible for our entering the World War.

Mr. LEWIS. Mr. President, I should love to give it the credit that Democracy has for itself, but I cannot transfer the privilege.

Mr. ROBINSON of Indiana. Mr. President, not in the wildest flight of anyone's imagination can the Republican Party or any member of it be charged with responsibility for America's going into the World War; the part performed by the American people was noble in the extreme, and the 4,000,000 soldiers who went there so ably performed their part that some of us are now interested in them to the extent of desiring that their benefits be not taken from them. It was a splendid part, well performed. But the Republican Party did not get us into the war, and in my judgment we never should have entered the war. I hope the Senator understands now the position I take.

The depression in which we find ourselves is the direct aftermath of that very war. The man who got us into the war I mentioned yesterday—I hope the Senator will not call this slander—was the President, the member of the Senator's own party who sent the country into war within 2 months after he was inaugurated after having made a campaign before the American people on the issue that "he kept us out of war," that "he protected me and mine," that he preserved your home and mine. That issue was the issue in that campaign, and on that issue he won a victory and became President of the United States. But within 2 months after he was inaugurated those campaign promises and pledges meant nothing and we were in the war. We have been in every since.

Thousands and hundreds of thousands of those lads who were wounded and maimed over there, many of them made mentally blind, will never be rehabilitated. This is the aftermath of that war. The depression in which we find ourselves is the aftermath of the World War and the Senator from Illinois must know it. The administration which just went out of office was not responsible for that war and the administration that just went out of office therefore could not be responsible for the present depression. When the Senator from Illinois, himself inveighing against the slandering of public officials, deliberately charges that administration with the results that have flowed out of the World War and are crystallized in this the worst depression the world has ever known, he himself perpetrates the very offense against which he inveighs.

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

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Indiana yield to the Senator from Illinois?

Mr. LEWIS. I should like to correct the Senator.

Mr. ROBINSON of Indiana. Mr. President, I will yield in a moment to my distinguished friend, but let me finish what I was about to say.

The Senator from Illinois need not be so much concerned about critical statements that may be made about the present administration. I fancy many critical statements will be made, not only on this side of the Chamber but over on the other side of the Chamber as well before the next 4 years are ended. But listen, Mr. President: If the Senator knows anything at all, he knows that Herbert Hoover during the entire 4 years of his administration was the victim of organized slander, not only slandered here upon this floor by Democratic Senators across the aisle but slandered in the most organized fashion by the Democratic National Committee, which established its bureau for the purpose of slander, organized slander, and libel.

The Senator from Illinois would talk to me now about slander. Why? Because I dared say yesterday that this financing, in my judgment, if the people had been given an opportunity to subscribe to the bond issue, could have been done for less than 1 percent. As a matter of fact 4¼ percent is to be paid and the bond issue was oversubscribed $1,800,000,000; and, in my opinion, the Treasury lost $20,000,000 in that one transaction alone. That still is my opinion. If that be slander, let the Senator make the most of it.

I yield now to the Senator from Illinois.

Mr. LEWIS. I wish to say to the Senator that he is apparently suffering from some dreams that have been disturbing his intellect, and he is now reproducing a repercussion of the address he delivered against the Senator from Arkansas [Mr. ROBINSON] and the same address against the Senator from Mississippi [Mr. HARRISON], and——

Mr. ROBINSON of Indiana. O Mr. President, I refuse to yield to any diatribe of abuse. If the Senator means now to abuse me in my own time, I refuse to yield.

Mr. President, I made those statements because every Member on the other side of the Chamber makes similar statements day after day, and I propose to continue stating the truth. I reiterate the facts for emphasis.

Mr. LEWIS. Impossible! [Laughter.]

Mr. ROBINSON of Indiana. It will be done for the benefit of the Senator from Illinois and everybody else with reference to this war in which we now find ourselves.

Mr. LEWIS. I wish to say to my friend that he is wrong. My friend is in error. I wish to correct my friend. He is in error. He is laboring under a misapprehension. I have never alluded to Mr. Hoover; I have never alluded to the administration or anyone else as being responsible for the panic. I was alluding to the condition of the Treasury; the condition in which we found it. The slander to which my friend alludes I wish to make specific. It was those who said that the administration was seeking to bribe by offers for votes, and my able friend must try to be accurate if he wishes to be accepted. I do not wish to interrupt him further, but a delirium of judgment has possessed him which calls for my mercy in his behalf.

Mr. ROBINSON of Indiana. I think I understood the Senator aright. I think he said—as I think the transcript of the record will show and the reporter's notes will show—that the condition in which we find ourselves, in which the administration finds itself, and in which the country finds itself, is due to the last administration. I think the notes of the reporter will show that to be his statement. But in any event such statements have been made and repeated time and again by other high-placed Democrats, if not by the Senator himself. I resented that, and I said if the Senator made that statement, that in itself was a species of slander. So the Senator need not be horrified—nor need any other Member on his side of the Chamber be horrified—to hear some of us on this side, from time to time, criticize the present administration.

Mr. LEWIS. That is to be hoped and to be expected.

Mr. ROBINSON of Indiana. And I assure the Senator that we shall not shrink from doing so when the occasion may require. I hope to go along with the administration as far as I can, and to support the present President in everything that I think is constructive and for the good of the American people. I am opposing him in the case of the measure that is now before the Senate, because it will not put one single man or woman back to work. Thirteen million men are out of employment, and this bill will only add to our misery and to our taxes in the districts throughout the country whence all of us come. So, of course, I will not support the President in this matter, but I hope we may differ with the President and with Members on the other side of the Chamber without being charged with treason; and if we criticize the administration I hope we may not be called slanderers just because we do so.

Mr. President, I made the statement yesterday that the recent refinancing could have been done at a rate of less than 1 percent, in my opinion, and I still think so. Treasury certificates like those of today's issue must be offered at a stipulated interest rate. I think if the rate stipulated had been less than 1 percent, this refinancing could have been done for less than 1 percent. That, I submit to the Senator, is not slander; I still believe it to be so. I think if the people had been given an opportunity to subscribe to these bonds at a rate of three fourths of 1 percent, they are so anxious to have their bank deposits guaranteed in these days and to have the Government back of them, that they would have invested their deposits in this bond issue and been delighted to have done so, and it would have been oversubscribed by more than a billion dollars, and, as it is, with practically no public notice, it was oversubscribed $1,800,000,000.

Now, Mr. President, if the Senator from Louisiana will give me his attention for a moment, if he has not any time left, I will yield to him in my time.

Mr. LONG. I have time in my own right.

Mr. LEWIS. Mr. President——

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

Mr. ROBINSON of Indiana. I yield to the Senator from Illinois.

Mr. LEWIS. Mr. President, I again say to the Senator from Indiana that some strange malady seems to possess his conception.

Mr. ROBINSON of Indiana. O Mr. President, there is no "strange malady" about it; I have merely stated the facts.

Mr. LEWIS. I never referred to his statement concerning the Treasury as being slander. I believe he was honestly stating his belief regarding the method of refinancing, but I again refer and I again repeat that those who intimate that the administration was seeking votes by the exchange of jobs or threatening to withhold jobs if the measure should not be voted for, were those of whom I spoke, and as the Senator is not one of them my reference can have no application to him. If he feels he was one of them, I apply it to him.

Mr. ROBINSON of Indiana. No, Mr. President; I did not make any such statement as the Senator suggests, and I wondered if he had reference to me in that connection. I made no such charge at any time. The only thing I referred to yesterday in connection with the subject I discussed was the new refinancing arrangement by the Treasury.

EUGENE MEYER'S OPERATIONS

Mr. LONG. Mr. President, I rise to agree with the Senator from Illinois. We are not in disagreement; to the contrary, the Senator from Illinois has made a very eloquent speech in which he has said that we should stop all the financial plunder that has been affecting our people. That financial plunder or whatever has been done through the banks has been done under the surveillance of the Federal Reserve Banking System and the Comptroller of the Currency, for, as the Senator knows and as I know, our financial system has been under the Federal Reserve Board, the Comptroller of the Currency, and the Treasury Department of the United States.

I was asked by the Senator from Illinois, who agrees with me in these principles, or, rather, I should say that I agree with him, to give the proof, if I have any, regarding the character of pursuits of the gentlemen whom I mentioned. First, I desire to quote from the Democratic platform. Speaking of the Republican administration controlling our finances, speaking of the Treasury Department under Ogden Mills and his crew, speaking of the Federal Reserve Board under Eugene Meyer, and speaking of the Comptroller of the Currency controlling the banks, the Democrats in their last platform said this:

> They have ruined our foreign trade, destroyed the values of our commodities and products, crippled our banking system, robbed millions of our people of their life savings and thrown millions of more out of work, produced widespread poverty, and brought the Government to a state of financial distress unprecedented in time of peace.

Those condemnations, Mr. President, as to the ruination of our banks, as to the destruction of our credit, could only be directed, and were only directed, at the Republican administration, at that time in charge of Ogden L. Mills and his crew in the Treasury Department and Eugene Meyer and his crew on the Federal Reserve Board and the Comptroller of the Currency working with them; and therefore, among other promises, we promised the people—

> further restriction of Federal Reserve banks in permitting the use of Federal Reserve facilities for speculative purposes.

In other words, our party condemned such practices.

Mr. President, I want to go just one further step in stating what we were trying to condemn. A further thing that we are suffering from today is that the Federal Reserve Board and the Comptroller's office and the Treasury Department were in a conspiracy until we had the election and almost until now to wreck the little banks of the United States and openly said so in the hearings before the Senate committee.

I go farther as to Eugene Meyer. Mr. President, I have here the only undestroyed typewritten copy of Eugene Meyer's confession. He may think that all the copies have been destroyed, as some of them have been destroyed in a very mysterious manner, but here is one that has remained under the stove leg, that is now going into the CONGRESSIONAL RECORD, containing this gentleman's confession as to his operations when he was head of the War Finance Corporation of the United States. The witness, Mr. President, is Eugene Meyer. I will state, in order that the testimony may be understood by the lay mind which was not aware of it before, that when Eugene Meyer went on the War Finance Corporation he had a little bond house, known as "Eugene Meyer, Jr., Brokerage House", which was in process of liquidation. He went on the War Finance Corporation Board under a law that forbade him to market any of the bonds that were handled by the War Finance Corporation. The minute he went on the board, while he had this bond house in liquidation, he reopened that bond house, in violation of law, in order that he might manipulate transactions in bonds of the War Finance Corporation, in the teeth of the law, as confessed by him. He was closing out the bond house until he got on the War Finance Corporation, whereupon he opened up the bond house and financed the bonds of the War Finance Corporation—and how?

Mr. President, at the time when they were selling United States Government bonds for 80 and 85 and 88 cents on the dollar Mr. Eugene Meyer was buying back Government bonds at near 100 cents on the dollar. On the same day when he sold bonds at 85 and 88 he bought back other issues of United States Government bonds at near 100 cents on the dollar. How did he justify that operation? He justified it, Mr. President, because he retained other issues of Government bonds at the average price, and that every time he sold one at 20 cents below par that raised the value of those he had on hand. I will read the testimony of his confession from one of the copies that will not be destroyed or lost.

HOUSE OF REPRESENTATIVES.

SPECIAL COMMITTEE TO INVESTIGATE THE PREPARATION, DISTRIBUTION, SALE, PAYMENT, RETIREMENT, SURRENDER, CANCELATION, AND THE DESTRUCTION OF GOVERNMENT BONDS AND OTHER SECURITIES

TESTIMONY OF MR. EUGENE MEYER, JR., MANAGING DIRECTOR WAR FINANCE CORPORATION, OCTOBER 25, 1924

(The witness was sworn by the chairman.)

Mr. KING. Will you repeat your last remark about the orders from the Treasury? I did not quite get it.

Mr. MEYER. Yes, sir. These transactions of sales on the market in the second Liberty Loan issue, to which reference is being made at this time, were conducted by order of the Treasury for the following purposes:

The sinking fund had a limited amount to buy—not in the aggregate, but of each issue; not over 5 percent. In the second Liberty 4 percent bond issue, owing to the fact that it gave to the Government a large option in the time in which the Government might pay, having been issued as a second loan only by Mr. McADOO, he was able to retain for the Government the right to repay at the end of 10 years, or, if it did not suit the Government, at the end of 25 years, or at any interest period in between. Then subsequent issues had to be made under more difficult conditions, and Mr. McADOO—and by the way, I want to say that the second Liberty Loan originally was issued as a 4 percent bond——

Mr. KING (interposing). You do not mean to say that Mr. McADOO personally was issuing these orders to you, do you?

Mr. MEYER. Oh, no. Mr. McADOO was out of the Treasury in 1920. I am talking about the time of the issue of the bonds. Mr. McADOO was Secretary of the Treasury at the time of the issue.

It will be seen as I read further that he undertook to hide himself behind someone else, but they dragged him out into the open and made him admit that his operations were not in such manner to be hidden behind anybody except himself.

Mr. KING. Who was the particular individual who issued the orders?

Mr. MEYER. May I continue this line of thought?

Mr. KING. Oh, yes.

Mr. MEYER. The individual is not of any particular importance. I am discussing the bonds, the terms, and the reasons for this.

In other words, when he was called upon to say who had given him any such orders he said that the individual was not important and that McADOO had passed out of the Treasury a long time ago.

Mr. KING. The investigation of the personnel is important.

Mr. STEAGALL. Mr. Chairman, if the witness is going to take the stand and exclude the other witness, it is going to bring more or less confusion and disorder into the record.

Mr. MEYER. I just want to finish one line of thought.

Mr. STEAGALL. I merely want to ask you how long you expect to take.

Mr. MEYER. Five minutes will explain this.

Mr. STEAGALL. Our thought was to proceed in an orderly manner and let you hear this, and explain after we had finished.

Mr. MEYER. I know; but, gentlemen, these things, if they are taken up at the time, are readily understood, but if they are strung along at the end of a long line of discussion——

Mr. STEAGALL. Well, you will understand when we get through.

Mr. MEYER. I think so. Will you not permit me, then, to explain for a moment?

Mr. STEAGALL. Go ahead. We want to proceed in an orderly way, but I shall not interpose any objection if you want to finish on that line.

Mr. MEYER. This is so simple that it will not take me very long, and I think you will understand it as well as I. There is nothing mysterious about it.

Mr. KING. Is the gentleman going to explain each and every item as it comes up today?

Mr. MEYER. No; no. I merely want to explain what the Treasury had in mind when it gave instructions to make these transactions.

Mr. STEVENSON. I want to know who conducted those transactions.

Mr. MEYER. Mr. Leffingwell was Under Secretary for Mr. McADOO, for Mr. GLASS, and for Mr. Houston up to the time that I resigned on June 1.

These transactions, which represent, as they appear when you consider only one of the issues, sales of Government bonds in the market, were balanced in all these cases at that time by purchases of other issues, either thirds or fourths, for the reason that the bond-purchase fund at that time was overbought on the second Liberty bonds and underbought on some of the other issues.

Now, on the same day that this $100,000, let us say—where is that item that you referred to, Mr. Brewer. It is the 26th–29th.

Mr. KING. What page is that?

Mr. MEYER. It is not paged. It is marked here "May 26–29."

Mr. BREWER. Of 1920.

Mr. MEYER. Yes. Now, at the same date there was a purchase of $300,000 of the third Liberty bonds at $88.85. I imagine that you will find that that is the result of an order to sell one issue and buy another of which the sinking fund did not have enough bonds, whereas they had too many of the seconds, and the Treasury at that time did not want to spend additional money to buy additional bonds where the sinking fund had not been filled up, and therefore gave orders to exchange the seconds, of which they had too many, for the other issues, of which they did not have the full sinking fund.

Mr. STEVENSON. Mr. Meyer, I want to ask a question right in connection with that, before you get away from it.

Mr. MEYER. Yes, sir.

Mr. STEVENSON. You say you bought on that same date how many thousand of these thirds?

Mr. MEYER. Three hundred thousand is here.

Mr. STEVENSON. At $88.45?

Mr. MEYER. Yes.

Mr. STEVENSON. What does your column show was the average cost of the issue?

Mr. MEYER. The bonds of the third always sold higher at that time.

Mr. STEVENSON. But have you not the average price here?

Mr. MEYER. Yes; and the bonds were bought at $88.45.

Mr. STEVENSON. And $94.57½?

Mr. MEYER. Yes.

Mr. STEVENSON. And on the same day you sold the others at $84.40 on the market?

Mr. MEYER. Yes.

Now I am getting right down to where they explain this thing. He first said that he bought those bonds at $88.45. Mr. Stevenson made him admit that he paid $94.57½, and he admitted that he did; and Mr. Stevenson said:

And on the same day you sold the others at $84.40 on the market?

He said:

Yes.

Mr. STEVENSON. And that brought the cost up to $91.90, and you sold them to the Government the same day at $92.13?

Mr. MEYER. Well, the sales to the Government, as you have heard from Mr. Brewer, had nothing to do with the market price. They were sometimes above the market and sometimes below the market.

Now, all through these transactions in the latter part of May, it is well to bear in mind that the War Finance Corporation had discontinued the purchase of bonds in the regular course, in accordance with the public statement issued by the Secretary of the Treasury, Mr. Houston, on the 18th of April. I think that is the exact date. And after that we did nothing in connection with these issues except these transactions which were carried out by order of the Treasury; so that without using additional funds of the Government, which were hard to raise at that time on short-term money—because that is what they had to do; it was what was redeemed in the market; of course, it did not take any funds to buy them from the War Finance Corporation, because whatever they bought from us were credited; but——

The CHAIRMAN (interposing). Mr. Meyer, do I understand correctly that all orders to buy and sell came to you from the Treasury?

Mr. MEYER. All of these orders were specifically from the Treasury. All orders at all times previously were under the direction and supervision of the Secretary of the Treasury, in accordance with the law, section 11 of the War Finance Corporation Act, and a daily report of all the transactions was made to the Treasury Department of each individual issue separately.

Mr. STEAGALL. What happened to the market following those operations, Mr. Meyer?

Mr. MEYER. Following which operations?

Mr. STEAGALL. Those that we are talking about. What was the effect on the market?

Mr. MEYER. Of these sales, purchases, and exchanges?

Mr. STEAGALL. Yes.

Mr. MEYER. It did not affect the market, because it did not change the quantity of bonds. For instance, there was a sale of seconds and a purchase of fourths, I remember, at that time. You will see here, on May 26–29, $312,000 fourths bought at $85.14, and on the same day you will find $320,000 of these bonds sold at $84.44.

Mr. STEAGALL. Did not the market go down?

Mr. MEYER. No. It did not affect the market, because it was an exchange of one bond for another.

I want to give you the reason why the Treasury was exchanging one issue for another, because the sinking fund had not been filled up on some of the issues and it was overbought on some of the other issues, and if they had bought in the open market without selling at a small difference, it would have taken fresh money, fresh Treasury certificate issues, and they did not want to use the money. That enabled them to buy for the sinking fund without using a lot of money and without any appreciable difference.

Here is where we not only already have the admission that he bought the bonds on the same day he sold them, paying as much as $10 a bond more than he was selling them for, but here is the last part, and here is the confession of Mr. Meyer:

Mr. STEVENSON. I just want to get clear as to one item. The average price means average cost of the bonds left on hand, does it not?

Mr. MEYER. On the books.

Mr. STEVENSON. The average cost of the bonds you had left on hand?

Mr. MEYER. Yes.

Mr. STEVENSON. When you made a sale of $100,000, the average cost of what was left on hand jumped from 91.827 to 91.837, which is 1 cent on a hundred?

Mr. MEYER. Yes.

In other words, as I pause to explain to the Senate, he says that every time he sold one below, it jumped the price of the average cost of the bonds on hand. It other words, when he went out and sold them, as Mr. Stevenson says, at a lower price, it increased the cost of those remaining on hand.

Mr. STEVENSON. In other words, you got less than the average cost for that $100,000 worth of bonds that you sold, and you added that loss to the average price, which was reflected in an increased average price. Then you sold to the Government for a little above that average and the next average price came down a little because you had made some profit out of the Government.

Mr. MEYER. We made no profit.

Mr. STEVENSON. Each one of these increases represents a loss that has been made on some sale of bonds, does it not?

Mr. MEYER. No; because all of these bonds ultimately went to the United States Treasury at cost.

Mr. STEVENSON. How did the average cost of the bonds increase after a sale, if you had not lost some money on that sale? The average cost of what was left was increased by the loss you had on any one sale, was it not?

Mr. MEYER. Yes.

Mr. STEVENSON. Then all the loss that was had by selling these bonds on the market was added to the average cost which the Government finally had to pay when it bought, was it not?

I wonder if Senators are getting this. In other words, every time he sold those bonds at a loss, the Government not only lost the money on the bonds being sold at a loss, but that loss was added on to the average price for the bonds

that he had on hand, and at that price the Government bought bonds.

In other words, all that Mr. Meyer had to do was to sell the bonds at 80 cents on the dollar, and that meant that the total bonds left on hand cost a great deal more on account of this loss, and therefore the Government reflected this in the average price of the bonds it had on hand when it bought other bonds back in.

I am going to read that statement of Mr. Stevenson again, because Mr. Meyer quibbles a good little distance until he is made to admit this.

Then all the loss that was had by selling those bonds on the market was added to the average cost which the Government finally had to pay when it bought, was it not?

Mr. MEYER. In the first place, I would like to say——

Mr. STEVENSON (interposing). I would like to know what your answer to that is?

Mr. MEYER. The loss on the seconds was more than compensated for by the profits on the purchases on the thirds and fourths.

Mr. STEVENSON. That is a matter that the books will show.

Mr. MEYER. Yes. I am showing it in the books. Let me just show you——

Oh, he struggled hard to get away from this question. He wanted to go and show them that a year or two before or a year or two after he did a good deal somewhere; but old Stevenson held him right down to the lick law, and he made him come through with the answer. He quibbled and he quaked and he quacked, and he did everything he could to get out from under admitting that he was a party, that he was the manipulator of this financial chicanery—this man who still sits at the head of the Federal Reserve Board and condemns the country—bank depositors and the country banker to his grave today; this high light and apostle of financialdom who still sits at the head of the mighty. Now I will read you, after he quibbles through two pages of testimony, what he was finally made and compelled to admit under oath:

Mr. STEVENSON (interposing). I just want this question answered.

Mr. MEYER. I answered that.

He says he answered it. As you see, however, he did not answer it. Mr. Stevenson put the question back to him:

Whenever you sold on the market at a loss, the loss was added to the average cost of those that were retained, and when the Government bought them it had to pay that average cost, which included the loss had on those sold on the market, did it not?

Mr. MEYER. As I said, the transactions at that time—you show 1-cent increase in the cost of the seconds. Here is 1½-cent decrease on the same day in the cost of the fourths.

He could not make him answer. He went into another stump speech. Says he, going on:

You cannot consider—

He made about three stump speeches here to keep from being pinned down. He did not have any idea that they had the wool right between his teeth. There was no way of getting out of it. He says, making his further stump speech:

You cannot consider any one of these accounts separately, because these transactions at this time were merely exchanges of one issue for another.

Yes; they were exchanges of one issue for the other—exchanging a bond out of the Government portfolio at 85 cents and buying it back at 95 cents on another issue. But Mr. Stevenson says:

I want my question answered yes or no.

Mr. MEYER. Now, wait a minute, Mr. Stevenson.

Mr. STEVENSON. I am asking this question, and I want to know if you can answer it yes or no. When you sold bonds on the market at a loss, was not the loss added to the cost of the bonds you retained and absorbed when the Government bought those bonds?

Mr. MEYER. Yes—

Finally he was made to admit it—

Yes; and when we sold bonds at a profit it was reducing the cost and increasing the profit of the Government.

He was made to admit, Mr. President, that on the same day he was selling bonds at one price he was buying them back at an inflated price.

How much time have I left, Mr. President?

The VICE PRESIDENT. The Senator has 1½ minutes.

Mr. LONG. I have only time to skip, Mr. President.

Mr. STEAGALL says:

There is one thing that we might bear in mind, for whatever it is worth, and it is probably proper that it be said in this connection. The law very explicitly prohibits any member of the board of directors of the War Finance Corporation from transacting any bond sales or purchases with any firm or corporation in which it is interested or with himself and provides penalties accordingly. There is no distinction raised in the law in any such transaction as to whether a commission was paid or not. There seems to be some apprehension here about that, and I thought I would call attention to it.

Mr. KING. What penalty is fixed?

Mr. STEAGALL. I read it here once. I do not have it before me.

Mr. MEYER. There are plenty of penalties—fines and jail sentences.

Mr. KING. It is a jail sentence, is it not?

Mr. MEYER. No; there are fines, too.

Here was Mr. Eugene Meyer, who confessed to this financial manipulation, the like of which even Charles E. Mitchell has not himself confessed before the Senate committee, right in the bank of the United States Government. Here he is, having confessed that in the teeth of the law he opened up and financed these bond transactions through a house that he was at that time putting in liquidation; and he is today sitting up at the head of the Federal Reserve System undertaking to keep legislation from going through the Senate. Nay, he even sends his word down here and tries to stop the consideration in the House of a bill that has already passed the Senate—this man who has announced his intention to destroy the little State banks in the sovereign States of the United States, who, despite this confession, yet sits here over the lives and destinies, financially speaking, of the 120,000,000 people of America.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. HARRISON. Mr. President, there is no opposition to this amendment offered by the Senator from Washington [Mr. DILL]. I am wondering if we cannot agree to that, and then have another amendment offered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. DILL].

The amendment was agreed to.

Mr. REED. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Pennsylvania offers the following amendment:

On page 13, line 21, after the word "reduction", insert "including reductions made under any existing law, regulation, or Executive order in the case of subsistence and rental allowances for the services mentioned in the pay act of June 10, 1922."

Mr. HARRISON. Mr. President, that is a clarifying amendment, and there is no objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, on page 20, line 8, at the end of the line, I move to strike out the word "title" and insert the word "act" as a clarifying amendment.

The VICE PRESIDENT. The Senator from Kentucky offers an amendment which will be stated.

The CHIEF CLERK. On page 20, line 8, the Senator from Kentucky moves to strike out the word "title" and to insert the word "act."

Mr. HARRISON. Mr. President, that is another clarifying amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I send an amendment to the desk which I desire to offer.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 5, line 1, after the word "disabilities", add a comma and the following: "tuberculosis or neuropsychiatric ailments."

Mr. COPELAND. Mr. President, this covers the matter I discussed.

Mr. HARRISON. There is no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 10, after line 20, the Senator from Nevada proposes to insert:

SEC. 18. (a) Notwithstanding any of the provisions contained in this title, under the authority herein granted, in no event shall the compensation, disability allowance, or pension of any beneficiary be discontinued or reduced more than 25 percent of the amount thereof, except for fraud, glaring error, or proof of a diminution in the degree of disability.

Mr. McCARRAN. Mr. President, I should like to hear from the chairman of the Committee on Finance whether or not this amendment, which was approved by the Democratic majority of the House, will be acceptable to the committee.

Mr. HARRISON. No; it will not be. I may say that it would destroy the whole structure of the bill, and I very much hope it will not be accepted.

Mr. McCARRAN. Mr. President, addressing myself to the amendment which I have offered, likewise to the entire bill, I shall not take more time than that which is by rule adopted here allowed for a Senator to address himself to the bill.

We are considering legislation here the nature of which and the like of which have seldom passed the Congress of the United States. The law is not the people. The people are not the law. The law is the spirit of justice governing the people; and its application to individuals, to associations, to every form of civil life, should be so hedged around with reverence and security that the civil courts may, in an hour of popular passion, if you please, protect all the people from the tyranny of what might be a lawless majority; and in that spirit, and not in a spirit of criticizing the administration or anyone connected with the administration, but in the spirit of applying that thought and that idea, I have on two occasions before addressed myself to this body, to the end that no individual, however humble he might be, in whatever humble station he might be in life, might be deprived of the right to appeal to the court for a just right if he believed it to be just. But by the terms of the pending bill, if it goes through, by the provisions of this measure, if it becomes a law, there will be no question but that the individual veteran or association of veterans will be deprived of any right of appeal from the mandate and conclusion of the Director of Veterans' Affairs.

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

Mr. McCARRAN. I yield.

Mr. BARKLEY. There is nothing new in that, I will say to the Senator. There is no appeal now from the decisions of the bureau except in insurance cases, which I discussed last night, with reference to compensation and other benefits. It is possible that any veteran might go into court by mandamus and show unusual, arbitrary action on the part of the bureau and receive some remedy, and that remedy is not taken away in this bill. But ordinary decisions of the bureau are not appealable to the courts, and there is no real change in this bill from the law as it is now in the administration of the Veterans' Bureau.

Mr. McCARRAN. Mr. President, I would ask the learned Senator what is meant by the language of section 5, wherein the very remedy of which he makes mention, to wit, the writ of mandamus, is specifically mentioned and denied?

Mr. BARKLEY. I say, with the exception of the mandamus proceeding, which has been sought in isolated cases. In all cases where a petition for mandamus has been filed up to this date, the petition has been dismissed by the courts, and not a single case has been won. This language does, of course, specifically point that out.

Mr. McCARRAN. That is correct, and it is to that equitable writ, that extraordinary writ, that I address myself. It is something that has come down the avenue of ages that men might have the right to resort to these writs in order to protect individual human liberty and individual human rights. But this bill strikes specifically at one of the extraordinary writs that was created before the early courts of chancery. It is said that this right shall no longer be available to the individual who feels himself aggrieved, and it goes further than that.

It was by the dint of the eloquence and the power and the strength and the persuasiveness of the learned Senator from Alabama [Mr. BLACK] that there was put through last night an amendment which will save at least a few of those who have gotten into court with their cases. But those who may have cases, who believe they have just rights but have not yet filed them in the courts, will find their day in court gone. Yet the learned Senator from Illinois says this is not an arbitrary measure. He says there are no drastic powers or privileges granted by the measure. He says that this measure is in keeping with other legislation that has passed the Congress granting similar powers to other boards. But where has there been a measure that strikes so vitally at the heart of the little man as does this one? Where in all the history of legislation has there been a measure which goes down into the realm of the forgotten individual such as this one does? Shall we say to the millions who are looking for justice from this Government, "You are deprived of a right of appealing to the courts of the land," a right that was instituted by the founders of this country, the one remedy of the Government that had its initial stage in the founders of this country when they created a government with three branches, the legislative, the executive, and the judicial? The one branch in which every man, whether he be rich or poor, had a right to go with his cause has been taken from the man who went abroad to fight and die, if need be, for the safety of this Government.

In all the history of legislation, when was there more drastic power demanded? In all the history of legislation in this country, when was the individual struck at more seriously than when you say to him, "You cannot have the courts. You cannot go farther than the Administrator of Veterans' Affairs. When he says, 'Your cause is lost', even though you may have been maimed and wounded on the Marne—when he says your cause is lost—it is lost."

Mr. President, I have heard the most eloquent pleas made here from my own side of this Chamber, appealing to me and to others here, "Can you not rely upon the President whom you helped to elect?" The people of America have confidence in President Roosevelt. I am not going to take from that statement. I hope they have, because I have, and I helped to elect him, and I am happy at his election. But this power does not go to the President. It cannot, in the nature of things, ever come into the consideration of the President. Of necessity he must assign this very thing which we are granting now to someone who will act under him pursuant to his appointment.

Mr. President, if this bill passes with section 5 in it, if it passes but does not include the amendment I have just sent to the desk, we will require 20 more secretaries to attend to the demands which will be made upon us, "For God's sake go to the Administrator, go to the President, do something for me. My case has been turned down. Take it there." If we do not, they will say when we go home, "You have neglected your sworn duties." There will not be office room enough in the Senate Office Building to accommodate the secretaries who will be needed to attend to these cases, because of the arbitrary powers, and we can no longer say to one who may be in our State, "Take your case to the courts. The courts are open to you. Take your case there." That answer will be gone forever when this bill becomes the law.

Mr. President, I have heard many statements here, some of them exceedingly cogent, many of them pregnant with

the truth, but none have yet attempted to justify the arbitrary provisions of this bill, taking from the helpless and lowly the right to have their cause presented to an impartial tribunal, to wit, the courts of the land.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Massachusetts?

Mr. McCARRAN. I yield.

Mr. WALSH. In connection with the section the Senator is discussing, I should like to read to him from the hearings on this bill what General Hines said, and how he interpreted this section.

Senator WALSH. Would it deny to the Comptroller General the right to review, as he does now?

Mr. DOUGLAS. No; I don't think it would.

Mr. ROBERTS. I think it covers that.

Mr. DOUGLAS. Yes. It says "and no other official." The Comptroller General, I do not believe, has any power now to review the decisions.

Senator WALSH. Yes, he has; and he has made a lot of trouble in that regard.

General HINES. The Comptroller General has no authority on findings of fact and law that pertain to compensation or disability allowance. But there are some titles under the present act that go to the Comptroller General. As I understand the bill, this leaves the decision of the Administrator exactly as it now is under the same provisions of law. Only on claims is a finding of fact—well, both of fact and law—binding.

Mr. McCARRAN. To that I make reply that where there is no specific or direct declaration depriving one of law, then the presumption is, and the courts will so hold, that he has those privileges. But where a statute says specifically that he has not those privileges, neither the interpretation of the Director nor the interpretation of anyone else will bind the courts save and except the letter of the statute.

Mr. WALSH. Does the Senator claim that under existing law a decision of fact or of law by the Administrator is subject to appeal to the courts?

Mr. McCARRAN. I say it is subject to appeal.

Mr. WALSH. The Administrator's decisions on pensions are not subject to review by the courts but are final, and as a matter of fact the Senator cannot cite a single instance where a veteran has maintained an appeal to the court on a finding of fact or law by the Administrator in claims for pensions.

The VICE PRESIDENT. The time of the Senator from Nevada has expired. The question is on the amendment of the Senator from Nevada.

On a division, the amendment was rejected.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 9, line 15, before the comma, insert the words "and to the dependents of such persons."

Mr. HARRISON. Mr. President, that is a clarifying amendment, to which I have no objection.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. BONE. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of title I insert the following new section:

SEC. 20. (a) The second sentence of subsection (a) of section 409 of the Merchant Marine Act, 1928, is amended to read as follows: "Such rate shall not exceed: For vessels of class 7, 37½ cents per nautical mile; for vessels of class 6, 62½ cents per nautical mile; for vessels of class 5, $1 per nautical mile; for vessels of class 4, $1.50 per nautical mile; for vessels of class 3, $2 per nautical mile; for vessels of class 2, $2.50 per nautical mile; and for vessels of class 1, $3 per nautical mile."

(b) Subsection (b) of such section 409 is amended by striking out "$12" and inserting in lieu thereof "$3."

Mr. BONE. Mr. President, the amendment I have proposed to the pending legislation is not an amendment that in anywise adversely affects the form of the measure or the purpose for which it is intended. I have listened for several days to discussion of the bill. I have tried to understand it as well as I could from the discussion and a reading of the measure. I have heard Senators, including the Senator from Maryland [Mr. TYDINGS], say that we are now approaching—and not only approaching but we are in the most serious crisis in the history of the country; that we have reached the point where, unless we are able to balance the Budget and put our financial house in order, chaos stares us in the face. I am assuming that to be absolutely true, and I am not going to attempt to argue the question. I am assuming that the country stands at the financial crossroads, and that unless real sacrifices are made, there is going to be serious trouble which involves the financial integrity of the Republic itself. We must assume that we face that danger right now.

The amendment which I suggest will compel certain favored people now in this country, who are the recipients of favors at the hands of the Republic, to make the same sacrifice that the wageworkers employed by the Government are going to have to make under the bill; sacrifices that the soldiers who wore the uniform of the country are going to have to make. It seems to me there can be no explanation for our failure now, by the coercive force of law, to compel men who are enjoying largesses, doles, gratuities, if you please, from the Treasury of the United States to bear their fair share of the burden that is now being imposed upon practically all of the people of the country.

I think that Members of the Senate are familiar with the terms of the Jones-White Act, which provides subsidies for steamship companies for carrying mail. It it nowhere proposed that those subsidies shall be cut in this terrible emergency.

I listened also with a great deal of interest to the statement of the Senator from Maryland [Mr. TYDINGS] that the Government was compelled to pay 4¼ percent interest for money that it is borrowing from private lenders; and yet the records indicate that the United States Government, in the face of this tragic financial situation that confronts us, has loaned to private steamship companies, controlled by men like Pierpont Morgan, that are receiving these huge mail doles, vast sums of money at interest rates as low as three eighths of 1 percent a year and as low as one half of 1 percent a year. Today we face the tragic situation pictured by the Senator from Maryland, in which we are borrowing money at 4¼ percent and loaning it to Pierpont Morgan for the purpose of building steamships at rates as low as one half of 1 percent a year. If there is to be any sacrifice—and I for one realize that the people of the country must make sacrifices—then, in the name of justice and reason, let us compel these men now enjoying these fat doles and these huge subsidies to bear their fair share of those burdens.

We loaned the Dollar Line $13,000,000 out of the United States Treasury at 1¼ percent a year, and yet our Government is now paying 4¼ percent for money. We loaned the Roosevelt Steamship Co.—not of the family of our President, but Archibald Roosevelt—$6,500,000 for 20 years at 2 percent. We loaned the Oceanic Steamship Co. $6,000,000 at three eighths of 1 percent. I have looked over some of the amounts that we are now paying these companies for carrying mail——

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Kentucky?

Mr. BONE. I yield.

Mr. BARKLEY. What is the time for which these loans are to run?

Mr. BONE. They run for varying periods of time.

Mr. BARKLEY. Does the Senator recall the time for which the loans at low rates of three eighths and one half of 1 percent are to run?

Mr. BONE. I cannot answer the question categorically.

I cut from the New York Herald Tribune yesterday, Tuesday, March 14, a statement by Mr. Archibald B. Roosevelt, and I was impelled to say what I have said and what I am going to say here today because of the statement of this man and other statements of a similar character. Mr. Roosevelt and his associates issued this statement. It is addressed to the people of the United States and to the President of this Republic, and reads:

The American Legion has, in the form of special subsidies, levied a toll on the American people several times greater than victorious Germany levied on defeated France after the war of 1870. * * * For a number of years the American Legion and the Veterans of Foreign Wars have ruthlessly plundered the American people under the guise of an appeal to the sense of patriotism of our people and by perverting that praiseworthy sentiment to selfish ends. * * * The American Legion and the Veterans of Foreign Wars will counterattack and continue their ceaseless warfare against the stability of the country.

Mr. President, I am not a member of either of these organizations; but I invite attention to the fact that Mr. Roosevelt, who is himself receiving huge sums of money in the nature of subsidies for handling mail on vessels in which he has an interest, is charging the American Legion and the Veterans of Foreign Wars with conducting a racket and being racketeers.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

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

Mr. BONE. I yield.

Mr. TYDINGS. What percentage of reduction from the existing rates would occur under the Senator's amendment?

Mr. BONE. It would be 75 percent.

Mr. TYDINGS. Does the Senator know whether or not contracts have been entered into where those reductions would apply?

Mr. BONE. Yes.

Mr. TYDINGS. Does the Senator know whether or not the Government would be in a position to repeal or repudiate those contracts?

Mr. BONE. I think I prefer to answer the Senator by saying that it would be a splendid object lesson to the people of the Republic, at a moment when 14,000,000 wageearners are in or dangerously near the breadlines, to have Pierpont Morgan and Vincent Astor go into a Federal court and sue this Government for their mail doles. That brazen affrontery would so shock the conscience of the Nation as to lead to a speedy ending of the mail subsidy dole racket of these men and their associates.

Mr. TYDINGS. The Senator will understand that I am not taking exception to the Senator's purpose. I am in sympathy with what he seeks to obtain. I was inquiring if it would be possible to carry it into effect as a matter of law; whether we may by legislation change a contract which had been entered into under previous legislation. My recollection is, without having the authorities before me, that the Supreme Court has held in cases of that kind that subsequent legislation would be invalid so far as it impaired existing contracts made in pursuance to law.

Mr. WHEELER. Mr. President——

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

Mr. BONE. I yield.

Mr. WHEELER. May I suggest to the Senator from Maryland that there is very serious question in my mind as to whether the contracts that were entered into are legal under the law? I, for one, should be glad to see the question determined by the courts. There certainly never was any intention on the part of the Congress of the United States when the law was enacted that the Shipping Board or the Treasury Department should loan that money to the shipping interests upon any such basis as they did; but they took advantage of what might be termed a technicality, and the Shipping Board and the Treasury Department made a ruling which never was in the minds of the Congress of the United States. If the Congress had ever for one moment conceived that any such ruling would have been made, it never would have permitted the bill to pass.

Mr. TYDINGS. Mr. President, will the Senator yield further?

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

Mr. BONE. I yield.

Mr. TYDINGS. I would invite the attention of the Senator from Montana to the fact that I supported the efforts to cut those contracts wherever the question came to a vote. I am not hostile to what the Senator from Washington wishes to obtain. I was simply inquiring whether or not we can legally accomplish what he has in mind.

Mr. BONE. May I invite the attention of the Senator from Maryland to the bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934?

Mr. FLETCHER. Mr. President, before the Senator goes to that will he yield?

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

Mr. BONE. I yield.

Mr. FLETCHER. The Senator will remember that after those loans were made some years ago under a law which authorized the Shipping Board to make loans at a rate a little bit in excess of the Government rate at that time, we subsequently amended that act and provided that loans should not be made below 3 percent.

Mr. BONE. I am well aware of that fact.

Mr. FLETCHER. Does the Senator propose under his amendment to change contracts already made, or does it apply to contracts hereafter to be made?

Mr. BONE. Perhaps I can best make answer to the Senator from Florida by reading what Congress did with one of these particular cases. In the appropriation act to which I have just referred there is appropriated $35,500,000 for these mail doles, and in that appropriation act we find that "no part of the money herein appropriated shall be paid on contract numbered 56 to the Seatrain Co."

In other words, we had a contract with the Seatrain Co. and for some reason Congress refused to appropriate money to pay on that contract. Again may I say to the Senator from Maryland that I would enjoy nothing better than to have Pierpont Morgan, in this time of dire distress, sue the Government for a dole of this kind. In the event Congress refused to make an appropriation to pay any judgment, it could not be collected, in all probability. I think I am right as a matter of law, but in any event the sooner this gouge is tested in court the better.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. BONE. I yield.

Mr. LONG. As I understand, the Seatrain contract was canceled by the appropriation bill. I should like to ask the Senator from Florida [Mr. FLETCHER] if that is true. We did cancel out the Seatrain contract, did we not?

Mr. FLETCHER. There was always a question whether there was any contract.

Mr. LONG. The same question is involved here—whether or not there is any contract. The Seatrain Co. was an outfit which ran through New Orleans, and I voted to strike out that item.

Mr. COPELAND. Mr. President, will the Senator from Washington yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New York?

Mr. BONE. I yield.

Mr. COPELAND. The question involved in the Seatrain contract was a question of the right of the company to engage in coastwise shipping and at the same time receive money. That raised the question of the legality of the contract. Had it continued in its original work between New Orleans and Habana there would have been no question, but there was the question of entering into coastwise traffic which put it outside the possibility of contributions under the Jones-White Act.

Mr. BONE. Mr. President, before I read these figures to Senators, I again want to repeat that I am only suggesting by this amendment, that the companies which have enjoyed these very substantial, these very juicy subsidies, if you please, should be compelled now, in our hour of peril, to share their part of the burden. The measure before us proposes to reduce the salaries of every worker employed by the Government. The lowliest worker has to sustain a loss; and it would certainly put the Congress of

the United States in a very peculiar light to leave untouched the things of the character to which I am going to refer.

Take the case of the Export Steamship Corporation. On its board of directors appear the names of Pierpont Morgan and Vincent Astor, two of the richest men in the world. As I said, for the period of time which this report covers, that steamship company carried 12 pounds of first-class mail, and for hauling that mail across the ocean it received a subsidy out of the United States Treasury of $1,400,000, or at the rate of $117,000 a pound. This mail was hauled in a line of steamers bought from this Government for $1,299,000, although the same steamers cost the Government $42,000,000 to build. In other words, the Government sold that company $42,000,000 worth of steamships for 3 cents on the dollar, and then, in a little over a year, gave them enough for hauling a little handful of mail to pay for the whole line of steamships.

I, for one, cannot bring myself to vote without a protest to cut the wages of workers receiving a thousand dollars a year while men are doing that sort of thing to my Government. I want to vote for this measure because I am assured that the President desires its passage. I do not desire to appear in the role of an obstructionist. The people have a right to look to the President for leadership, and his problems are too great, too pressing, for me to do other than support him in this period of trial and tribulation.

But my resentment against such gross favoritism as is shown the subsidy grabbers impels me to speak. In one city in my State 60,000 people are eating the bitter bread of charity. These people—the veterans in my State would not want me to vote for a measure that reduces wages and cuts veterans' allowances to preserve our economic structure, without voicing, at the same time, my opposition to doles to international bankers and their associates.

Mr. BLACK. Mr. President——

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

Mr. BONE. I do.

Mr. BLACK. The Senator might also have placed in the RECORD at this point the fact that, while the salaries of Government employees are being cut, even the lowest salaries, the record shows on investigation that 2 years ago, as I recall, some of the shipping companies that are granted subsidies were paying their officers $100,000 a year; and I have before me now a copy of the RECORD showing that the steamship company to which the Senator referred is paying Mr. Roosevelt, ostensibly for one half of his time—I do not know where he works the other half—$10,000 a year, and one of its directors for one fourth of his time, $10,000 a year, out of Government money.

Mr. BONE. Mr. President——

The VICE PRESIDENT. The time of the Senator from Washington has expired.

Mr. BONE. I should like to occupy a part of the 30 minutes assigned to me to discuss the bill.

I am frank to say, Mr. President, that I cannot understand how Archibald Roosevelt, who is the beneficiary of this sort of special privilege, has the nerve and gall to charge the American Legion and the Veterans of Foreign Wars with being racketeers. Yet that is the charge he makes. I am not a special pleader for the American Legion or the Veterans of Foreign Wars; I belong to neither organization; in fact, I am not a veteran; but it lies ill in the mouth of a beneficiary of juicy mail subsidies that cannot be explained or defended in these critical times to charge organizations of men who were willing to give their lives for their country with being racketeers. I do not like it, and I think most of the people of this country will not like it, regardless of their views about this kind of legislation. I dislike seeing beneficiaries of special privilege charge other men with offenses of which they themselves are guilty.

If we are going to cut and cut and cut, as it seems to be essential and necessary that we should do, then, in the name of justice and fair play, in the name of all the millions of people of this country who, like myself, believe in a decent standard of living, in decent wage scales, let us begin not on the little doughboys but on the big doughboys first. These gigantic mail subsidies, in this period of financial misery, are a disgrace.

Running right out of my own city is a line called the Tacoma Oriental Steamship Co. that bought its boats from this Government, my Government, this Republic, if you please, that is faced with such a critical situation today. They bought a line of boats for $700,000 and in a short period of time, for hauling a small amount of mail, it got $655,000 out of the Treasury of this Republic, sufficient to pay a 90 percent dividend on the total cost of those boats. Had they created a capital structure representing the investment they could have paid a 90 percent dividend for hauling a small amount of mail, the regular price for which would have been just $1,901.

I will not go into this matter at great length, because I assume that almost every Member of this body knows the history and the sordid story of these things. The Senator from Tennessee [Mr. MCKELLAR] has told the story here; the Senator from Alabama [Mr. BLACK] has told the story; and Members of Congress are fully advised of what this thing means. I think it would be a sad mistake to refuse to add my amendment to a bill which bears upon its face the statement that it is "to maintain the credit of the United States," and which is designed to impose thrift and economy on all departments of government. If we are going to do that, let us not give $28,000,000 to steamship companies that bought property of this Government for a few cents on the dollar and then draw each year enough out of our National Treasury to pay huge dividends on the entire capital set-up of their companies.

There is such a thing as fair play. This proposal I have made by this amendment does not strike at the purpose of this bill. It simply assures us that these men who have all these years enjoyed these fat subsidies shall now be compelled to go along with the rest of us.

Permit me to quote the Bard of Avon, as did my friend the Senator from Illinois [Mr. LEWIS] a few moments ago. When I hear all the veterans called racketeers by Mr. Archibald Roosevelt, and see the wrongs such men hang onto their fat subsidies in these times, I want to say, with Shakespeare's cynic:

> Plate sin with gold,
> And the strong lance of justice hurtless breaks:
> Arm it in rags, a pygmy's straw doth pierce it.

It is so easy to slap the little fellow, but there is nothing royal in that sort of sport.

Let us be brave enough to lay our hands on this temple, this citadel of privilege, right here and now. If we pass the bill later and then let it be said to the people of this country that we still approve of Pierpont Morgan's getting $117,000 a pound for hauling mail in boats that his company bought for 3 cents on the dollar from this Republic, and this at a time when 14,000,000 Americans are desperate with poverty, when there is a great army of desolate men and women and hungry little kiddies who have to face want and deprivation, it is not going to be healthy; it is not going to have a healthy political reaction.

For one, I want to be proud of what my party does in meeting these issues squarely and head on. This is no time for evasion; it is no time for cowardice; it is no time to refuse to look things squarely in the face. Be sure that if nothing is done with this question today, it will be raised here again and again and again on the floor of this house until we meet it fairly and squarely and remedy a condition that cannot endure.

So, Mr. President, I am very hopeful that this amendment will be approved. It strikes not all of the subsidies, but three fourths of them, so that instead of Mr. Morgan's steamship company getting $117,000 a pound for hauling mail in its Santa Claus boats, it would only get 25 percent of that amount. That would be ample compensation, in light of the fact that the regular price for this service is 80 cents a pound.

Mr. HARRISON. Mr. President, I appreciate the force of the Senator's argument and his sincerity in proposing the amendment; but the difficulty is that it relates to a matter that is not in the structure of the bill. While I agree with him, and heretofore have voted in line with his suggestion, there is quite a group of Senators who have voted differently. Many of those Senators are giving support to this measure; many of them want to cast their vote for this bill; and it might be that some Members of the majority whose votes we need here might be driven away from the measure by adopting certain amendments that did not meet their approval. So, in the hope that we will not confuse the particular issue upon which we are about to pass, I trust the Senator will not press his amendment. A select committee of this body, composed of five very distinguished, able, and progressive Senators, has just been appointed to investigate and consider this whole question. I hope they will go to the bottom of it; that they will make a report at an early date; that the Senator will be satisfied that that committee will do its work, and not press this particular amendment under the circumstances, because it might add to the confusion of things and, in the end, work the defeat of the pending legislation.

Mr. BONE. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. I yield.

Mr. BONE. Rather than answer the Senator, I desire to make a statement. I assume that these subsidies have been under fire for many years in this body. I do not know whether I am correct in that statement.

Mr. HARRISON. That is very true.

Mr. BONE. So I can see no reason why we are not more prepared to meet it now than in times past, when it has been brought so vividly and so clearly before this body. This is an economy measure; it can do no harm to the measure to have this amendment tacked onto it. I think it would have a magnificent effect on the morale of the country at this time to strike at the sort of abuse I have mentioned.

Mr. HARRISON. I am inclined to think that the Senator is correct, and yet this matter has been brought to the attention of those who have heretofore considered it and are trying to secure action. It is hoped that matters which might add to confusion and retard the progress of the legislation and defeat its purposes will not be pressed on this bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington.

Mr. BONE. Mr. President, I should like to have the yeas and nays on the amendment.

Mr. LONG. Mr. President, I want to be heard on the amendment.

The VICE PRESIDENT. The Senator from Louisiana is recognized.

ANOTHER AMBASSADOR

Mr. LONG. Mr. President, inasmuch as I could not complete my remarks under the last 15 minutes, I want to sum up a little bit of the record regarding Eugene Meyer's manipulations of the bond market.

I read from what was brought out by Mr. STEAGALL concerning this matter in a debate in which the gentleman who is now presiding over this body as Vice President of the Nation participated to some extent. I read from what Mr. STEAGALL reported to Congress.

Notwithstanding Congress had refused to confer direct authority upon the Treasury Department to resell bonds, Treasury officials entered upon a program of stupendous operations, running into hundreds of millions of dollars, in the buying and selling of bonds in the stock exchange, using the medium of the War Finance Corporation.

My information is that the Treasury Department never attempted to avail itself of the use of the Alien Property Custodian funds in its bond operations until the War Finance Corporation had ceased to function.

Members of the House will remember that under the provisions of the War Finance Corporation Act that corporation was to go out of business upon the President's proclamation of peace, but the Attorney General furnished an opinion prior to the President's proclamation that the activities of the War Finance Corporation should cease, and it was after the termination of the activities of the War Finance Corporation that the Treasury Department resorted to the use of Alien Property Custodian funds.

Then said Mr. STEAGALL:

The Treasury Department lost $60,000,000.

This was not just a little haphazard business; this thing resulted in the filching of the United States Government Treasury, with Eugene Meyer, jr., in charge of this thing, under the criminal methods that I have just read into the RECORD from the testimony coming from his own lips, which resulted in the most monumental kind of loss.

First. The Treasury Department lost $60,000,000 in buying Victory and third 4¼ bonds, paying as high as $98 per hundred, when other issues of Liberty bonds were selling on the market as low as $86.

Why should the Treasury Department throw on the market a vast volume of bonds selling as low as $86 when it was well known that ultimately those identical bonds would have to be repurchased by the Treasury at par?

Why not make the money invested in bonds cover the largest amount of outstanding bonds that could be purchased for a given sum? What excuse can be offered for paying $98 per hundred for bonds when a larger amount of bonds could be purchased at $86? It was well known that bonds resold on the market at a low price would eventually come back to the Treasury for redemption at par, and in this connection I want to ask why it should have seemed desirable to boost the price of certain bonds by having the Treasury engage in their purchase and reduce the price of others by having the Treasury sell them?

Why should the Treasury by selling operations beat down the price of the lower bonds when most of the small purchasers who bought in response to appeals to their patriotism had their investments in them?

Whereupon Mr. Garner, of Texas, asked this question:

And as I understand the gentleman, in each of those transactions they lost money.

Mr. STEAGALL. According to the very nature of the transactions it was impossible for the Treasury ever to make anything. The best the Treasury could ever do was to take from the War Finance Corporation bonds and pay for them at cost, but every time a loss was sustained it was transferred to the Treasury. In every instance where bonds were sold below par there was a loss to the Treasury because ultimately it was up to the Treasury to redeem all bonds at par.

Furthermore, there were numerous transactions where the War Finance Corporation sold bonds for less than what had been paid for them, and in every such case the loss was arbitrarily charged as a part of the cost of bonds remaining on hand which were in turn ultimately sold to the Treasury. There was a loss of $28,000,000 in interest alone, which accrued on bonds held by the War Finance Corporation after purchase before delivery to the Treasury, and a loss of $60,000,000 which came about as I have just explained.

In this connection I want to ask—the gentleman from Texas has covered it so well that nothing can be added to what he said, but I will ask how it is possible to stabilize prices by selling the lower bonds and buying the higher—whoever heard of anybody's attempting to support the strength of the market by selling it down?

In that instance they were selling them at $86 and buying them back to $98, and filching the people, as shown by the gentleman from Texas who is now the Vice President of the United States, who was elected by the people on the ticket with our great President to stop this kind of financial transactions that have been put over on the people. Why should they have been allowed to come here now and sit over the American people after having filched us out of $98,000,000 with these bond transactions prohibited by law?

Either the statement of the gentleman from Texas, who was made Vice President of the United States, and the testimony of Mr. Meyer himself show him to be positively unworthy of sitting on the Federal Reserve Board, or else there has been a great injustice done to this man which up until this time he has never seen fit to correct; but, on the contrary, under his own sworn testimony he has admitted every line of it to be true.

I read just a little bit further, after having shown this loss:

In these operations the Treasury Department was using the funds taxed the War Finance Corporation and that corporation was charged by the Federal Government with stock amounting to $5,000,000 owned by the Government. It may have been right, if Treasury officials desired to do so, to use War Finance Corporation funds to bring about certain conditions in the market for Government bonds; but, as the gentleman from Texas has so well said, I fail to see how any trustee has a moral right to go out and use the funds of his ward except for the benefit of the ward. Now I yield to the gentleman from South Carolina.

Mr. STEVENSON. I simply want to direct the gentleman's attention to the fact that the bonds that needed stabilizing most were those that were lowest, whereas when they bought they bought the highest.

Mr. STEAGALL. Absolutely.

In other words, gentlemen of the Senate, the testimony is here in the RECORD to show you, as I have already produced it—and the analysis is given by the man who is now the Vice President of the United States and the man who is now the chairman of the Banking and Currency Committee in the House of Representatives and Mr. Stevenson, who has been appointed by President Roosevelt on one of the important farm boards of this country, which is confirmed by the testimony of this man—that he rigged the Government Treasury to the extent of $98,000,000, and, in defiance of the criminal laws of this country, that he went out and reopened an old bond house that he was closing down up there—Eugene Meyer, Jr., stockbrokers—in order that he could be a party to this criminal transaction. That is the man who is today sitting at the head of the Federal Reserve Board, condemning to death the State banks of this country, and who is sitting with his heavy hand today on the Senate of the United States, even to the extent of keeping a bill that has been passed by the Senate from being considered by the House of Representatives!

That is what we are up against, Mr. President. We want to see the removal of this Eugene Meyer, Jr. We want to see the Augean stables to some extent reasonably cleaned and purified, because either we have misrepresented the facts, the Vice President has misrepresented them, the chairman of the House committee has misrepresented them, Mr. Stevenson has misrepresented them, and Mr. Meyer's own testimony that I have produced in this RECORD has misrepresented the facts, or else that man not only is not fit to be a part of the Democratic administration but he is not fit to be in anywise connected with the functions of the Government when we have promised a financial housecleaning to this country.

There is no need for hunting for Mr. Insull over in Greece. There is no need of driving Charles E. Mitchell out of the National City Bank. If we are going to reward this man in accordance with Mr. Insull or in accordance with the way we are treating Mr. Meyer, then the only thing left to do is to send Mr. Insull credentials to make him ambassador while he is residing over in Athens. [Laughter.]

Mr. ROBINSON of Indiana. Mr. President, in order not to detain the Senate, I desire to read a very brief statement with reference again to the recent financing of the Treasury.

Mr. President, the claim that this bill will save the credit of the United States is utterly unfounded. It seems equally silly and equally stupid to say that the unbalanced Budget was responsible for the Treasury's paying 4 and 4¼ percent interest on the bond issues of today.

These issues were for 5 months and 9 months, respectively.

On June 15, 1932, just 15 days before the Government ended the fiscal year of July 1, 1931, to June 30, 1932, with a deficit of $2,472,000,000—the greatest deficit ever incurred by the Government in a single year, and more than twice the deficit for the present fiscal year—the Treasury sold $373,856,500 of 12-month certificates of indebtedness running from 3 to 7 months longer than today's issues, bearing an interest rate of 1½ percent, and the banks then subscribed more than $2,500,000,000; cr, in other words, the issue was oversubscribed 7 times.

On the same day, June 15, 1932, just 15 days before the fiscal year ended with the $2,472,000,000 deficit, the Treasury also offered $416,602,800 of 3-year notes bearing 3 percent interest. This issue brought offers of about $2,500,000,000, and was oversubscribed 6 times.

On February 1, 1933, just 42 days ago, the Treasury offered $250,000,000 of 5-year notes bearing 2⅝ percent interest. This issue brought subscriptions totaling $7,800,000,000. It was oversubscribed more than 30 times. That was just 42 days ago, with the Budget just as unbalanced as it is now, with a deficit for the present fiscal year estimated by President Roosevelt to be around $1,200,000,000, and just as much need then as now for economy.

All 90- or 91-day bills issued by the Treasury during the year 1932 were oversubscribed. These 90-day bills do not bear interest directly but are sold for a discount, the discount taking the place of interest.

On April 13, 1932, a $76,200,000 issue carried a discount of 1.1049 percent. It was oversubscribed 5 times.

On July 20, 1932, the discount was 0.621, or six hundred and twenty-one one-thousandths of 1 percent.

On July 27, 1932, it was sixty-three one-hundredths of 1 percent.

On August 10 it was six hundred and seventy-six one-thousandths of 1 percent.

All these issues were oversubscribed 4, 5, and 6 times.

So, of course, there is no occasion to claim that this bill now, taking away from the veterans their vested rights to benefits, will in anywise save the credit of the United States. The credit of the United States is sound. There is not any question in the world about that. The only question is why such a high, usurious rate of interest is being paid in this financing.

Mr. LEWIS. Mr. President, the Senator from Indiana will recognize that there was but 2 weeks of time in this administration in which to make the advertisements such as I understand is sometimes the practice and permitted——

Mr. ROBINSON of Indiana. It is always the practice.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Does the Senator from Illinois yield to the Senator from Indiana?

Mr. LEWIS. I do.

I should like to know from the Senator from Indiana who wrote the speech the Senator has just read.

Mr. ROBINSON of Indiana. The speech was not written by anybody.

The PRESIDING OFFICER. Senators will address the Chair before they are recognized.

Mr. ROBINSON of Indiana. Mr. President, if the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Indiana?

Mr. LEWIS. I do.

Mr. ROBINSON of Indiana. I will say to the Senator, if he wants to know, that this morning, through my office force, I was in touch with the Treasury Department of the United States and we were informed by one of those down there—a trusted official, I think, of the Department—that the rate probably was pretty high, and he wondered if there would not be considerable criticism of this rate. I was inquiring, or having my office inquire, about different matters in connection with the financing, and I will say to the Senator further that, poor as they are, bad as they may be, I do prepare my own speeches.

Mr. BARKLEY. Mr. President, if the Senator will yield——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. LEWIS. I will ask the Senator from Kentucky to allow me just a moment.

Mr. President, I do not profess much knowledge of finance, and when I heard the eminent Senator speak of getting in touch with the Treasury I did not know whether he meant to get in touch or that he got a touch of the Treasury [laughter]; but it is evident from the speech delivered by my able friend, it being embalmed in yellow, that there was something yellow about the presentation, and I was looking to see who had prepared it in that peculiar tainted color.

If the intimation is made that the administration now in power has committed some error or great offense in not having had the opportunity of great public bidding, I am sure the able Senator from Indiana will admit, as was pointed out by the Senator from Maryland [Mr. TYDINGS] yesterday, the present Presiding Officer, and the eminent chairman of the Finance Committee the Senator from Mis-

sissippi [Mr. HARRISON] later, that we had not the time, from the time of our necessities arising a few days ago, for a 2 weeks' advertisement; and therefore could not have reached any public to which such advertisement might ordinarily address itself.

The point I wish to impress on the able Senator is this—and I repeat it to him—what has he to say of that class of financial investors or bankers who, observing the emergency of this Government, its immediate need for the money to preserve either its credit or its balances, would impose upon the Nation such an interest rate as he now points out in comparison to the 1 percent of the previous administration when the same privileges were granted?

Does it not indicate to him that they took advantage of this administration, just coming into power, when it had not time enough to advertise to the public to obtain public bids on the one hand or seek from opposing financiers a privilege on the other? Does he not condemn any such arrangement?

Mr. ROBINSON of Indiana. Of course, Mr. President, I condemn any such arrangement, if it was made, regardless of who is responsible for it.

Mr. LEWIS. Now I yield to the Senator from Kentucky.

Mr. BARKLEY. I merely wanted to suggest to the Senator, with reference to the criticism on the rate of interest charged on the notes issued today, that it is not altogether inappropriate to take into consideration the fact that at the very moment almost when the administration was changing—and I do not refer to it in any partisan sense at all—when a $75,000,000 issue of notes was sold by the Government at 4¼ per cent, notwithstanding the fact that within a month before they had been selling with an interest rate of about one half or one eighth of 1 percent, the amount of oversubscription was only about $15,000,000. On a sale of $75,000,000 the subscription amounted to $90,000,000; and, based upon the small interest rate, it was not at all out of line for the Treasury to assume that on a $500,000,000 or $600,000,000 issue a 4¼ percent rate would be about the best we could obtain.

Mr. REED. Mr. President, I do not mean to prolong this debate about interest rates; but I think, in justice to both the Republican and Democratic administrations, this ought to be said. For a good many years after the armistice our borrowings were made on the quarterly income-tax days, and all our maturities were regulated to fall due on those days. The results was that every 3 months the Treasury officials had to go into consultation and estimate the lowest possible rate of interest at which the Government could borrow for its requirements.

Then the Congress very wisely authorized the sale of what are known as "Treasury bills", which are sold on a discount basis. They carry no coupons and bear no interest as such, but the hire for the money is paid in the form of discount, just as if one discounted his personal note with a bank, taking for it less than its face value and paying the face at maturity. That is what the Government has been doing. So Treasury bills are sold at very frequent intervals, sometimes as often as every week, in much the same method that the British treasury meets its necessities.

Where that system is used and where competitive bids are taken on the Treasury bills, we know to the hundredth of 1 percent the going market rate for public borrowings of the Federal Government; and the element of uncertainty, the element of opinion, which used to be present on these quarterly income-tax days, so they had to estimate the rate of interest that would be offered, all has gone now. It has gone for Democrats as well as for Republicans. We know exactly what the Government must pay in order to obtain money.

There was a sale of those Treasury bills as recently as March 3, and the average bid for those bills—the average high bid in the sense of payment for them, low bid in the sense of low interest rate, the average best bid from the Government standpoint—was at a discount rate of 4.26 percent per annum. There was plain notice that, due to this crisis, the Federal Government could not borrow on March 15 at a rate substantially less than 4¼ percent.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. ROBINSON of Indiana. How could the Government possibly know that without advertising? If the Government had advertised and had given the people an opportunity to subscribe, it might be that the banks would hold up the Government on the bills to the extent of 4.26 percent, as the Senator has said; but no effort was made to ascertain what the public would do, or what price the public would be willing to pay.

Mr. REED. There are two answers to that. First, that nobody, public or banks, could tell 2 weeks ahead, in times like these, what money was going to be worth; and second, these Treasury bills and Treasury certificates and Treasury notes which we have to sell now in order to keep refunding our short-time debt are practically exclusively taken by banks. A few individuals subscribe, but they are very few. I am sorry to have to say that, because it is a point of weakness in our public finance that so much of our evidence of debt should be held by the banks and so little by private individuals.

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

Mr. REED. I yield.

Mr. BARKLEY. I do not desire the Senator from Pennsylvania to have the idea that what I said a moment ago was in any way in the nature of criticism of either of these issues.

Mr. REED. I understood that.

Mr. BARKLEY. It would have been impossible, on the 1st day of January or on the 1st day of February, for anybody to have prophesied that within a month or 6 weeks the interest rate would jump from one eighth of 1 percent to 4¼ percent.

Mr. REED. That is quite so.

Mr. BARKLEY. But in view of the fact that it did, for reasons which we all understand, it was not at all out of line for the Treasury Department to assume that it would be impossible to finance eight times the amount of money involved in that issue at a smaller rate than 4¼ percent.

Mr. REED. I can only testify to my own feeling; that is, that both the United States of America and Secretary Woodin were extremely lucky to get the very liberal subscription they did get for today's issue of Treasury certificates.

Mr. BORAH obtained the floor.

Mr. COPELAND. Mr. President, will the Senator yield for a quorum?

Mr. BORAH. No; I do not want to take up the time of the Senate.

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

Mr. BORAH. I yield.

Mr. HARRISON. I merely want to make an observation. A good many Senators have inquired whether we expected to try to finish the consideration of the bill this afternoon. I desire to say that if we cannot finish this afternoon we will feel constrained to go along tonight; and so, if we can get along with the consideration of the bill pretty rapidly, I am sure it would be for the convenience of a good many Senators.

(Mr. BORAH resumed and concluded the remarks which were interrupted on a previous amendment by the limitation on debate (pp. 418–419), and at that point his remarks appear entire.)

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Borah	Connally	Frazier
Ashurst	Bratton	Copeland	George
Austin	Brown	Couzens	Goldsborough
Bachman	Bulkley	Dale	Gore
Bailey	Bulow	Dickinson	Hale
Bankhead	Byrd	Dieterich	Harrison
Barbour	Byrnes	Dill	Hastings
Barkley	Capper	Duffy	Hatfield
Black	Caraway	Fess	Hayden
Bone	Clark	Fletcher	Hebert

Johnson	McKellar	Reed	Townsend
Kean	McNary	Reynolds	Trammell
Keyes	Metcalf	Robinson, Ark.	Tydings
La Follette	Murphy	Robinson, Ind.	Vandenberg
Lewis	Neely	Russell	Van Nuys
Logan	Norbeck	Sheppard	Wagner
Lonergan	Nye	Smith	Walcott
Long	Overton	Steiwer	Walsh
McAdoo	Patterson	Stephens	Wheeler
McCarran	Pittman	Thomas, Okla.	White
McGill	Pope	Thomas, Utah	

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is detained from the Senate by illness.

Mr. LEWIS. I wish to announce the absence of the Senator from Wyoming [Mr. KENDRICK], who has been attending the funeral of the late Senator Walsh, of Montana.

I desire also to announce the absence, by reason of illness, of the Senator from Colorado [Mr. COSTIGAN] and the Senator from Utah [Mr. KING].

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present. The question recurs upon the amendment offered by the junior Senator from Washington [Mr. BONE].

Mr. FESS. Mr. President, I know how anxious are Senators to vote on the amendment and to reach a final vote on the bill. Therefore I am not going to detain the Senate to the limit of the time allotted me under the unanimous-consent agreement.

What the Senator from Idaho [Mr. BORAH] has said in defense of Congress is shared by most Senators who heard him speak. The particular, specific, concrete examples he gave are not strengthening to the position which he intended them to confirm. The only thing that we are attempting to do now—retrenching Government expenses—is to deal with a problem that has so many points of contact, where every Senator not only votes his individual view but is largely influenced by the great number of people who are interested in how the vote is to be cast. Whenever we undertake to reduce expenses our action has a collective effect because of its collective interest. Its interests ramify throughout our people. We do not speak of the individual alone as a member of country, but the many individuals as salary people. It is on the question of retrenchment that Congress has found it impossible to be effective unless it is in the case of an emergency.

The illustration which the Senator from Idaho gave of the readiness with which the Congress responded to the recommendation of the President for the Agricultural Marketing Act is not a good example. The Agricultural Marketing Act was a response to a general demand of the agricultural minds of the country and of all citizens to find some concrete method of farm relief, an agitation that has extended over many years, affecting our greatest industry.

There was a strong sentiment in this body for what was known as the "equalization-fee plan" as the remedy. The Senator from Idaho and I agreed that that plan was not a good one, and we opposed it. Later on strong support was given to the debenture plan; but there was also a sharp division of opinion as to that proposal, and it failed to become law. If it had not been that two specific proposals, backed by widely representative interests, had failed, there would scarcely have been given to another concrete proposal which was offered, and which had been endorsed by the convention and the platform of one of the great political parties, the large support it received in a special session called for the purpose in response to Senators who urged it over the protest of other Senators. That easily explains why such general support in the case of the marketing act was given. However, Mr. President, that does not touch at all the point we are discussing in connection with the pending measure, which has to do with retrenching expenses of the Government.

In the reference to the moratorium, the second item cited, the Senator knows that the President made no recommendation until the proposal had the approval of four fifths of this body and of the other body. He never would have made a recommendation if that commitment had not previously been made. The Senator knows that just as well as I do. Of course, the President would have adequate, if not unanimous, support. Members of Congress had committed themselves and asked him to proceed with the plan. The debate in the Chamber when the subject was considered indicates clearly a doubtful support had the consideration come up without the prior commitment.

The same thing is true about the Reconstruction Finance Corporation. The creation of that organization entailed an expenditure of money, and not retrenchment. It is not difficult for us to find support for the authorization of expenditures. That is the situation about which complaint is made. When a concrete measure was proposed here, such as the program carrying such authorizations that President Hoover inaugurated, it had a very great support from both sides of the Chamber, and it was very largely nonpartisan. The program of rehabilitation which I regarded as quite constructive and as affording relief in an era of gloom was supported not on the basis that it provided retrenchment but on the basis that it was a proposal of a positive, concrete character looking to expenditure of money to meet a situation that everybody recognized as imminent, and most of us were willing to try the experiment to see whether or not we could accomplish a desirable result.

The various matters suggested by the Senator from Idaho to prove his contention against what we propose here do not apply to the principle we are now discussing. What we are now considering is a retrenchment that, because it touches the interests of individual citizens of the country universally, will not be done by direct act of this body. When conviction is expressed in this body through representations in telegrams, in letters, in personal interviews from parties to be affected, it is quite impossible for us to do what otherwise we would be capable of doing.

While I am willing to defend the constitutional right of the Congress, as every Senator here is willing to do, we can not close our eyes to the fact that if we do not give the President some authority in this matter of cutting expenses, retrenchment will not be made; there will be no substantial saving.

Referring again to the former President, he recommended to this body a program of economy. What did Congress do with that program? The Senator from Idaho speaks about the readiness with which Congress responded to certain constructive proposals. How readily did Congress respond to the proposal of the economy program? When the House of Representatives refused to accept his recommendations and appointed a committee of its own on economy, the President asked the committee to visit the White House and confer with him. That was done and a plan was unanimously agreed upon; but when it was laid before the House of Representatives, it was wholly scuttled. Instead of the large saving that was recommended by that committee as a result of the White House conference, the saving effectuated by action of the House was only a bagatelle; it was reduced from $200,000,000, as was first proposed by the President and agreed to by the committee, to less than $50,000,000. When the economy bill came to this body we improved it somewhat, but we did not do anything along the lines of the recommendation of the President. This is the test of how Congress supports the Executive in matters of retrenchment.

So I am going along with the request that is now before us, to give the President the power to make these economies that I know will not be made if it shall be left to this body and the other body. None of the concrete examples suggested by the Senator from Idaho has any weight in this discussion, because they apply to the expenditure of money, whereas we are talking about the saving of money. There will be no saving of any substantial character if we do not undertake the task in the way we are now proposing. That is the reason I shall vote for the pending measure.

Mr. NEELY. Mr. President, all the pages of history, ancient, medieval, and modern, will be searched in vain for a more momentous legislative measure than that which is now before the Senate. Its object is to confer upon the President greater power than any constitutional monarch in the world is empowered to exercise. It proposes to dele-

gate to the President the exclusive discharge of important duties which heretofore have been, by right or custom, reserved to the Congress itself.

The enactment of this legislation will unhappily mean, among other things, that some inconvenience will be experienced, some loss sustained, and some suffering endured by faithful Federal employees and our patriotic veterans who, in the morning time of their life, when every door in the world of infinite opportunity was open wide to receive them, when every breeze was bringing them promises of future glory, laid their last hope and their last ambition upon the altar of their country, left the rich treasures of heart and home behind them and entered the welter of war to fight, to suffer, and, if need be, die for their native land.

If this were an ordinary time or an ordinary occasion it would be inconceivable that the President would desire, or that the Congress would, for a moment, consider the granting of the extraordinary authority which the bill seeks to confer upon the Chief Executive. But these are not ordinary times. They are the most extraordinary and calamitous that the Nation has ever known.

For nearly 4 years the industrial, financial, and economic life of the world has been paralyzed. For nearly 4 years the black flag of desolation and despair has floated over the business institutions of the country from ocean to ocean.

Until 48 hours ago every bank in the United States was closed; everywhere deposits were frozen fast in the vaults and the Nation's business was as dead as the leaves that fell from the trees before the flood. At this hour 14,000,000 American toilers are without jobs, without shelter, and without food, excepting that which charity supplies. Hideous poverty tramps every highway; want waits on every corner; the specters of famine, misery, and woe stand at the doors of millions of American homes.

The vital question that we must answer in voting on this measure is: Shall we, in the face of national bankruptcy and at the risk of irreparable ruin, continue to provide upon the basis of our former prosperity for a small but highly deserving part of our people at the expense of tens of millions of poverty-stricken laborers, farmers, manufacturers, and merchants who have never in their lives directly received a dollar or a cent in actual money from the Treasury of the United States. Shall we continue to travel the road of disaster on which we have aimlessly, helplessly, and hopelessly drifted for 4 years until the Government shall have been destroyed? Or shall we immediately end this ruinous reign of governmental extravagance and financial folly by patriotically making whatever sacrifices may be necessary to restore normal conditions, normal prosperity, and normal happiness to all the people of this long and sorely afflicted Nation.

Let no one be deceived! This is not a time of peace! We are in the midst of the most disastrous conflict that has ever cursed this continent. Measured in terms of human suffering, this panic's war against us has been more agonizing than all the military conflicts in the Nation's history, from the time that Washington's tattered soldiers stained the snows at Valley Forge with their bleeding feet until the present hour.

Our country has long been invaded by all the minions of industrial and financial destruction and fear. At last we are at Armageddon. All the merciless forces of annihilation are arrayed for the final battle against the American people. If we lose this battle, the Government will be overwhelmed with irretrievable disaster; it will go the way of those which in ancient times flourished on the banks of the Euphrates, the Tigris, the Tiber, and the Nile, and this Nation will become a melancholy

Dream of things that were,
A schoolboy's tale,
The wonder of an hour.

On the eve of this decisive battle Franklin D. Roosevelt is the Nation's Commander in Chief. In 2 short weeks he has earned and won the confidence and the gratitude of a suffering Nation and the unstinted admiration of all the world. He alone has had enough vision to see and enough initiative to propose a concrete plan for victory and manifest enough courage to attempt to translate his plan into a triumphant realization. His order is not to watch and wait; it is not to retreat; his thunderous, thrilling command is "Forward, march."

As soldiers in our Commander's army, let us imbue ourselves with the invincible spirit of "Old Hickory" Jackson at New Orleans; the irresistible spirit of Grant at the Wilderness; the triumphant spirit of Stonewall Jackson at the second Battle of Manassas. Let us prove ourselves worthy of the American soldiers of the World War, the history of whose courage and suffering and sacrifice and glorious victory was written in the precious blood which ebbed and flowed in tumultuous tides from the crimson shell holes of the Argonne Forest to the ensanguined banks of the River Somme.

Let our answer to our daring commander be, we shall—

Fight till the last armed foe expires,
Fight for our altars and our fires,
Fight for the green graves of our sires,
God and our native land.

Let our answer be that we shall fight until humanity's greatest victory shall have been won, the millions of jobless shall have been employed, the millions of naked shall have been clothed, the millions of hungry shall have been fed, and the prosperity and happiness of all the people shall have been reestablished upon a foundation as enduring as the everlasting hills.

Regardless of temporary inconvenience, temporary loss, and temporary hardships to a most deserving part of the people, in an effort to help bestow innumerable benefits and everlasting blessings upon the Nation as a whole, we should unhesitatingly vote for this bill. As we discharge this highly patriotic duty, let our slogan be:

Lead on, O Great Commander,
The day to fight has come;
Henceforth in fields of battle,
Thy tents shall be our home,
Thy cross is lifted o'er us,
We will journey in its light,
Humanity's hope awaits our victory,
Lead on, lead on, Thou fearless man of right.

The PRESIDING OFFICER. The question is upon the amendment of the Senator from Washington [Mr. BONE].

Mr. BONE. I demand the yeas and nays on this question.

The yeas and nays were not ordered, and the amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Wisconsin offers an amendment, which will be stated.

The CHIEF CLERK. On page 1, line 5, strike out, through line 25 on page 10, and insert in lieu thereof the following new section:

SECTION 1. The rate of pension or compensation of each person receiving pension or compensation after the date of enactment of this act is hereby reduced by 15 percent. When used in this section, the term "compensation" shall include military and naval compensation for death or disability payable under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or any special act of Congress authorizing payment of such compensation, and the annuities authorized by the acts approved May 23, 1908, February 28, 1929, as amended, and January 31, 1931. When used in this section the term "pension" shall include any amount payable to any person by virtue of being placed on the pension rolls of the Veterans' Administration pursuant to any act of Congress.

Mr. LA FOLLETTE. Mr. President, I can explain the effect of this amendment in a few words. It seeks to preserve the present structure of veterans' legislation, but, at the same time, to provide a substantial saving in the amount of money being paid to those veterans. It recognizes that there is an emergency situation requiring a reduction of expenditures, insofar as veterans are concerned. It is a sincere and logical attempt during such an emergency period to save the legislative structure which has been built up during and since the war. It will mean a saving of approximately $150,000,000 in the amount of money now paid to veterans of all wars.

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

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. LA FOLLETTE. I yield.

Mr. WALSH. I notice that in General Hines' testimony he fixes the amount at $120,000,000. Has the Senator some further information?

Mr. LA FOLLETTE. I got the distinct impression from statements made by witnesses in the committee that the expenditure for veterans was approximately a billion dollars per annum.

Mr. WALSH. May I read his reply?—

Senator WALSH. Assuming that all compensation and pension benefits granted under the present law are retained and a flat cut of 15 percent were made, what would be the saving?

General HINES. I should say about $120,000,000.

Mr. LA FOLLETTE. I think the Senator will also find in the record a statement to the effect that it is approximately $150,000,000.

Mr. WALSH. And, of course, there would be other savings from other features of this bill. In addition to whatever the amount is, there will be other savings from other features of this bill.

Mr. LA FOLLETTE. Of the present bill, the Senator means?

Mr. WALSH. Yes.

Mr. LA FOLLETTE. Yes; and, of course, this amendment seeks to cut all compensation or pensions by 15 percent, so that the Senator must take into consideration not only the veterans of the World War but the veterans of all other wars.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. As I interpret the Senator's amendment, it is in the nature of a substitute for title I.

Mr. LA FOLLETTE. The Senator is correct in that.

Mr. ROBINSON of Arkansas. And if the Senator's amendment should be agreed to, its effects would be limited to a flat reduction of 15 percent in the amount now allowed to all veterans.

Mr. LA FOLLETTE. That is correct.

Mr. ROBINSON of Arkansas. There would be no elimination of those who are receiving allowances on account of non-service-connected disabilities, and so forth?

Mr. LA FOLLETTE. They would all receive the same percentage of cut.

Mr. ROBINSON of Arkansas. Yes, I understand; but there would be no eliminations as to anyone now receiving allowances?

Mr. LA FOLLETTE. That is correct.

In other words, Mr. President, the attempt which I have made in offering this amendment is to save this structure of veterans' legislation so that it will not be wiped out at one stroke of the pen, but, at the same time, the veterans will be called upon to take a substantial reduction in the benefits which they are now receiving.

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

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Kansas?

Mr. LA FOLLETTE. I do.

Mr. McGILL. Would the amendment offered by the Senator from Wisconsin maintain the structure of legislation with reference to the veterans of all wars?

Mr. LA FOLLETTE. It would.

Mr. McGILL. It would reduce the pensions or compensation by 15 percent?

Mr. LA FOLLETTE. The Senator has stated the situation exactly—if this amendment should prevail.

May I say, in conclusion, that I recognize the fact that it is futile to argue this question at length. Senators have already determined upon the course which they are to take with regard to this bill; but I want to make a record to save the structure of veterans' legislation, passed while the Congress had an opportunity to consider it without the hysteria which surrounds the Senate Chamber and the country while this measure is under consideration.

In all justice, Mr. President, it seems to me that this structure of veterans' legislation should be preserved. We are taking a drastic step indeed when we repeal by one act all of the long list of veterans' legislation, and provide that in its stead there shall be legislation by Executive order or regulation.

If this substantial cut of 15 percent does not meet the necessities of the situation, then I appeal to Senators to offer amendments increasing the amount of this percentage until they have arrived at the point where they expect to make the substantial saving which they estimate to be necessary. In the hysteria of this hour, created and fomented in part by those who have always opposed this structure of legislation seeking to give justice to those who have served this country in time of peril, it is a cruel injustice which the Congress and the country will regret when it once more returns to sanity.

Upon this amendment, Mr. President, I ask the Senate to give me the yeas and nays.

Mr. CLARK. Mr. President, I offer an amendment to the amendment of the Senator from Wisconsin: In line 5, strike out the numerals "15" and insert the numerals "25."

The PRESIDING OFFICER. The question is upon the amendment of the Senator from Missouri to the amendment of the Senator from Wisconsin.

Mr. HARRISON. Mr. President, I hope very much that neither one of these amendments will be agreed to.

We have been working this bill out on the theory of giving to the President power and discretion and judgment with reference to the differences in classifications and rates, and periods of war, and what war, and all that. This eliminates all that. We are working on the theory here that we might effect a possible saving of more than $400,000,000; and if the amendment offered by the Senator from Wisconsin should be adopted there could only be a possible saving on this matter of $124,000,000. If the amendment offered by the Senator from Missouri [Mr. CLARK] should be adopted, we would lose $206,000,000. So, if we want to effect some saving, if we want to travel in the direction we started out, we ought to vote down these amendments and sustain the committee.

Mr. CLARK. Mr. President, did I understand the Senator to say that on the 25 percent cut the Government would lose $206,000,000?

Mr. HARRISON. We would save $206,000,000 under this amendment, whereas under this bill we would save more than $400,000,000.

Mr. CLARK. But the $380,000,000 testified before the Senate Committee on Finance was the maximum that could be saved under the bill as proposed if the President were to allow the minimum compensation. Is not that correct?

Mr. HARRISON. That was the testimony of General Hines as to what would result if there were no change in rates; but if there is a change in rates, which we lodge with the President the authority to make, there can be a possible saving of more than $400,000,000 under the bill, whereas under the Senator's amendment there cannot be a saving of more than $206,000,000.

Mr. LONG. Mr. President, may I ask the Senator from Wisconsin what is the amendment to his amendment? I happened to be called from the Chamber.

Mr. LA FOLLETTE. The Senator from Missouri [Mr. CLARK] moved to strike out "15" and insert "25", so that the flat cut applied to all pensions received by veterans would be increased from 15 percent to 25 percent.

Mr. LONG. What is the attitude of the Senator from Wisconsin on that?

Mr. LA FOLLETTE. Mr. President, personally I believe that a 15 percent flat cut is all that should be asked of the veterans at this time; but I am appealing for the principle of preserving the structure of the veterans' legislation. If a majority of the Senate feel that a more drastic cut is necessary, I should much prefer to have that method adopted than the one which is proposed in title I of the pending bill, namely, to wipe out all of that structure of legislation

and to substitute therefor the proposal for legislative enactment by Executive order and regulation.

Mr. BYRNES. Mr. President, will the Senator from Wisconsin yield?

Several Senators addressed the Chair.

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

Mr. LA FOLLETTE. I yield to the Senator from South Carolina.

Mr. LONG. I have the floor. I yield to the Senator from South Carolina.

Mr. BYRNES. I simply wanted to propound this question to the Senator from Wisconsin: As I understand the amendment to his amendment offered by the Senator from Missouri, it would bring about a reduction of 25 percent in the payments to all classes of veterans, including those who have disabilities of service origin.

Mr. LA FOLLETTE. That is correct.

Mr. LONG. Mr. President, I do not think the veterans should be cut 25 percent. I do not think they should be cut in all instances 15 percent. But in order to preserve the system of constitutional government where there has been nothing shown to indicate we should divert from it, I am going to support this amendment, not believing that it is entirely justified; but in order to save the soldiers of the country what I think they should get, I am going to support the amendment to the amendment of the Senator from Wisconsin, hoping that we will not inflict upon the soldiers more than the Democratic Party stood for. Our party stood for a 25 percent flat cut. It certainly is fair not to cut the soldiers more than we cut the employees of the Government. Therefore I am going to support both of these amendments.

Mr. COUZENS. Mr. President, may I ask the Senator from Wisconsin whether he justifies any cut to the veterans in greater amount than we cut our own compensation?

Mr. LA FOLLETTE. Mr. President, I tried to make my position clear. I offered an amendment providing for a 15 percent cut, because that is the maximum which is to be asked of civilian employees of the Government under the bill. The Senator knows very well my position upon both of these questions. But confronted with the alternative as between title I of the pending bill and the amendment which I have suggested, it seems to me it is much more just to the veterans to preserve the structure of their legislation, and to impose a flat percentage cut. I did not offer the 25 percent cut. I offered an amendment providing for a 15 percent cut, because I thought it in conformity with the sacrifice which is to be asked of the civilian employees of the Government. But if the Senate is determined to take a larger percentage of cut out of the veterans, then I hope and plead that it may be done in this manner, rather than by a repeal of all of the veterans' legislation.

Mr. COUZENS. Mr. President, my reason for rising to ask the Senator from Wisconsin the question was that by his original statement on the amendment he seemed to indicate that he would be agreeable to accepting some other figure than 15 percent. I want to express the hope that the amendment offered by the Senator from Missouri will not be accepted, because there is nothing I can see which would justify a greater cut on the veterans than we are ourselves making on our own salaries. So I hoped the substitute offered by the Senator from Missouri would not be accepted, for that very sound reason.

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

Mr. COUZENS. I yield.

Mr. LONG. I do not think we should cut the soldiers 25 percent; I do not think we should cut them 15 percent, but rather than have this worse crime committed against them I am willing to accept an amendment, and at least preserve the structure. I think saving the soldier what we can out of this wreckage is the one ground on which we can justify such a cut.

Mr. COUZENS. I am in accord with the Senator's view, but I am not willing so readily as the Senator seems to be to accept a 25 percent cut in lieu of a 15 percent cut. I just wanted to ask the Senators how in the world they could justify a vote cutting the veterans 25 percent and vote to cut the salaries of the Members of Congress only 15 percent.

Mr. HATFIELD obtained the floor.

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

Mr. HATFIELD. I yield.

Mr. CLARK. I just want to say that, so far as I am concerned, I do not think there ought to be a 25 percent cut either, unless provided in a measure very carefully considered by the Congress. But I do want to test the sense of the Senate on a 25 percent cut and on a 15 percent cut, in order that there may be a record.

Mr. HATFIELD. Mr. President, before explaining my views upon this bill I wish to say that I favor the amendment which has been offered by the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Speaking from the standpoint of one who served in a surgical capacity during the World War, and again due to the experience I have had in the profession in connection with hospitals, and in my study of the legislation in the interest of the soldiers of all our wars, beginning with the Continental soldier of our first war and ending with the World War veterans, I am not impressed with the whole philosophy of governmental administration to those who served our country at different periods; and especially is this true since the development of the Veterans' Bureau, which was established soon after the beginning of the World War. The bill that is before us for consideration, which is known as "H.R. 2820", if enacted, would mean destruction to all of the relief laws that have been placed upon the statute books, commencing with the Civil War veterans and coming down to the present time.

This proposed legislation, Mr. President, is justified in the name of economy. It takes advantage of the American war soldier for the purpose, we are told, of ameliorating a temporary financial and economic situation in our country, such as history records has frequently visited this Republic, but I do not find evidence of any effort on the part of the Congress of the United States, in all the other epochal periods of economic and financial stress, to deprive the veterans of those days of what Congress had awarded them; nor does history record that when those who served our Nation as soldiers were afforded relief by legislation, subsequent legislation has ever been enacted to deprive them of the benefits which had been given them.

While there is some question according to historians as to the cause of former depressions, there is little justification for a difference of opinion as to the direct cause of the one that confronts us at this time. It has proven to be most disastrous, and the end is not yet in sight.

Our distinguished retired President, the Honorable Herbert Hoover, was a great engineer, a business man with great vision, a statesman, one who had a grasp of economic affairs at home and abroad such as few men have ever been able to acquire. The same can be said no doubt of the present distinguished American who now occupies the White House. His foundation has been well built in the principles of democracy under which we live, beginning in a small way as a district representative of the community in which he lived and then passing to the governorship, then to the most exalted position within the gift of the American people. It has given him the opportunity to develop in vision and statesmanship, which should enable him to meet and solve the onerous and intricate problems that confront this Nation at this hour, providing his perspective has been properly developed in regard to the industries and the protection of labor and our home affairs as they are affected by world-wide economic and financial problems.

As I said awhile ago, these veterans' laws have been built up beginning with America's obligation to the Continental Army, which gave to us our independence at Yorktown. These laws have been based upon medical skill. They, however, have been administered by lay minds. President Hoover observed in 1930, as I remember, that the presumptive period of 5 years was possibly too long upon which to establish the existence of a disease which the soldier may

have contracted during his service, but which had remained dormant, developing after 5 years or more after he had been discharged from the service, and a longer period was not justified.

And when I read, Mr. President, on page 30 of the hearings before the Committee on Finance of the United States Senate of Friday, March 10, 1933, from a paragraph recited by General Hines, who is now the lay Administrator of Veterans' Affairs, with a layman as his first assistant, and with no special regard given in the make-up of his organization in the way of medical men, as compared with the Chief of the Public Health Service of the United States Government, the Chief of the Surgical Service of the Navy, the Surgeon General of the Army, where their admonitions, rules, and regulations are final and are only subject to disapproval of the Chief of the Army or of the President of the United States, I find General Hines making this statement in response to an interrogation by Senator GORE:

General HINES. Within these limits (from $6 to $275 per month) the bill gives the President authority to grant benefits and to amend existing Veterans' Bureau laws, to prescribe rates, to set up rules as to evidence, to set up rules as to presumptions. All presumptions are practically eliminated as they now exist in the law. But the President is given authority to cover certain definite presumptions if he desires.

In other words, Mr. President, the presumptive period of a disease which develops in the soldier who did his part in the World War is left to the discretion of the President of the United States.

General Hines continued:

The effect of the bill will be very far-reaching. It covers generally all of the items submitted to the joint committee that has been studying veterans' benefits, both in the first group and many in the second group.

It revises entirely the rating principle by simplifying it; that is, instead of having a rating system that takes into account the pre-war occupation of the claimant, it eliminates that and puts the rates of compensation on average impairment for five different rates.

This is the expression of the lay mind of one who, because of his long training in his administration of this department, has been able to glean in the fields of medicine and surgery facts, and no doubt convictions, that certainly could not be acquired by the average statesman, whether he be President, Congressman, or Senator, unless he be a physician. But with all of this grasp, Mr. President, this distinguished Administrator of the Veterans' Bureau is helpless from the point of view of knowledge of the intricate problems which enter into the life and the well-being of the soldier who served us in time of need.

To justify this statement I wish to read a paragraph taken from the Text Book of Medicine, by American physicians, headed by Dr. Russell L. Cecil and Associate Editor Foster Kennedy. These men represent a group of men whose reputations in their profession stand at the head. I am reading from page 199 of the hearings of the subcommittee of the Committee on Finance of the United States Senate of the Seventy-first Congress, part 2:

Tuberculosis is almost unique among infectations, in that it has, properly speaking, no period of incubation. Infection of the body is accomplished, and the anatomic marks of infection come into being and many remain indefinitely long (for months, years, or a natural lifetime) and the body meanwhile never exhibits symptoms of disease. On the other hand, it is certain that, when active tuberculosis does make its appearances in the vast majority of instances it is an expression of an infection that originated a comparatively long time previously (weeks, months, or even years before), and during all this time has resided in the body in a state of clinical quiescence; that is, without noticeable effect on the body economy.

Mr. President, I ask that there may be inserted in the RECORD at this point three more paragraphs from page 200 of the same textbook.

The PRESIDING OFFICER (Mr. MCADOO in the chair). Without objection, it is so ordered.

The paragraphs are as follows:

Environment factors comprise all postnatal personal experiences that can be shown to have an influence on the manner in which the body receives the tubercle bacilli and on the course of whatever tubercules may be established.

There is no other infection that reacts so definitely and yet so delicately to outside or environmental influences. It can be stated almost as an axiom that both morbidity and mortality curves of tuberculosis for a community will run parallel with the curves for disease and death in general, which means that where the general standards of public health and hygiene are low there is much tuberculosis and many deaths from it, and vice versa.

Active tuberculosis is a disease of every age, with its death rate highest in the fifth decade among city-dwelling males, and lowest in the second half of the first decade. But it is probable that more first outbreaks of the disease occur in the third and fourth decade of life than at any other period; that is, the breakdown from active tuberculosis is most likely to come not at the age of diminished vigor but at the time of the greatest stress of environment.

Mr. HATFIELD. Mr. President, I think these four paragraphs taken from this system of medicine, which is the guiding spirit of the internist of today in the conduct of his service to his patients not only in America but in foreign countries, should be sufficient to convince those who honor me with their presence, that there is no mind from that of the President of the United States to the Administrator of the Veterans' Bureau, unless it be that of a learned physician capable of presiding as dean of the department of medicine in any of our universities in this country or in other countries, able to deal completely with this subject of disabilities to which the American soldier's physical make-up is heir.

I read again, Mr. President, from page 201 of the hearings of the subcommittee of the Committee on Finance dealing with the subject of mental involvements of the World War veteran:

The onset of the disease is insidious, and as a rule progress is slow and gradual. The first symptoms may be a fine rhythmatical tremor of the hands or fingers, which is at first slight and inconstant, but soon becomes permanent and continues during rest.

I again read from a textbook written by Delafield and Prudden. Both of these men have passed to the grave, but their book has been reedited and bears the date of issue of the year 1931.

I might say by way of explanation that Doctor Delafield's name was a household word in his day to the citizens of the great city of New York, and the same can be said of the learned Prudden. In my school days in Bellevue Hospital they were so continuously in attendance in the halls of that great institution that when from some incurable disease their patient failed to recover they followed him to the morgue, and there, because of the knowledge given to them, they became learned in the pathology of disease, and this wisdom they in turn passed on to the professional men of today; it is incorporated between these two covers and is entitled "A Textbook of Pathology, Delafield and Prudden, fifteenth edition."

I read from page 292, upon the subject of tuberculosis:

This necrosis is more apt at first to manifest itself in the central portions of the tuberculous foci and may progress outward; the nuclei may become fragmented or disappear, or fail to stain in the usual way, the protoplasm may become more homogeneous; and cells and stroma may form at last an irregular glanular mass of tissue detritus, which tends to disintegrate (coagulation necrosis, cheesy degeneration, caseation) forming cavities, or if on free surfaces, ulcers.

As coagulation necrosis progresses, the tubercle masses lose the gray translucent appearance which in their early stages they are apt to present to the naked eye and become more opaque and of yellowish white appearance at the centers.

Finally dense fibrous tissue may form in and about foci of tuberculous inflammation, encapsulating or sometimes entirely replacing the more characteristic new-formed structures. It is in this way—by the formation of connective tissue—that such repair is as possible after local tuberculous inflammation is brought about.

It largely depends, therefore, Mr. President, upon the amount of resistance that the individual has, and this resistance is based upon his surroundings, his environments, and wholesome food, as to whether or not this cavity is formed into connective tissue, which results in a healing process or a continuation of the necrosis, with destruction and death.

Again, Mr. President, I read from page 1181, dealing with the subject of mental diseases, how they are acquired, and what their final terminations are upon the human mind:

ACUTE EPIDEMIC ENCEPHALITIS (ENCEPHALITIS LETHARGICA)

This is an acute epidemic disease which has only recently been recognized. The symptoms are extremely variable as is the course of the disease. Many mild cases unquestionably occur which pass undiagnosed. In other instances the patient dies in a few days with symptoms of an acute encephalitis.

Clinically some 8 or 10 varieties have been distinguished. The most general symptoms are marked asthenia, with prolonged somnolence. Palsy of the cranial nerves is a frequent accompaniment. Some of the cases resemble poliomyelitis; others are maniacle. In the late stages the syndrome resembling paralysis agitans may appear. The lesions are as variable as the symptoms, but in the encephalitic type certain changes are fairly constant. On gross examination the brain appears congested and the vessels markedly engorged. The dura mater is normal. The pia-arachnoid is edematous and may present minute hemorrhages. The brain stem shows the greatest amount of congestion. Microscopically the brain stem, basal ganglia, pons, and medulla are the regions of the greatest inflammatory reaction, although any part of the brain may be intensely involved. The cerebellum is least affected. There is marked infiltration of the Virchow-Robin spaces with lymphocytes and to a lesser degree with plasma cells and larger cells of mesodermic origin. Thrombosis of the vessels in the acute stage is very rare. Throughout the parenchyma, and apparently without any connection with perivascular exudation, there are masses of inflammatory cells, mostly lymphocytes, and, to a considerable lesser extent, plasma and endothelial cells. Hemorrhagic areas are abundant, especially near blood vessels. The endothelial cells of the blood vessels are swollen and appear to proliferate, as is manifested by the numerous mitotic figures in these cells. The nervous tissue proper, both the ganglion cells and the glia cells, are relatively little involved, considering the intensity of the general inflammatory process. In the regions of greatest inflammatory reaction the ganglion cells may show cloudy swelling, chromatolysis, eccentrically situated nuclei, and even neuronophagy. In these areas there is considerable neuroglia proliferation, especially of the small round glia-cell type. There is considerable edema present, and under the microscope this is evident as poorly staining homogeneous areas within the parenchyma. The spinal cord, especially in the cervical region, presents similar findings, but to a markedly less degree. Strauss and Loewe have recovered a filterable virus from their pathological material and by inoculation of this virus into rabbits have been able to reproduce both the clinical and the pathological pictures of the disease.

I will also read from page 1194, dealing with the internal condition which the World War veteran is especially confronted with in the form of a terrible disease:

PARALYSIS AGITANS

This is a chronic, usually progressive disease, characterized by muscular rigidity, weakness, tremor, and a peculiar attitude of the patient. The disease occurs in men twice as frequently as in women, and not infrequently there is a history of heredity. The present view of pathologists is that the disease is due to an atrophy of the large motor cells of the corpus striatum with some secondary thinning of the striohypothalamic radiation, the ansa lenticularis, and the ansa peduncularis. The small ganglion cells of the caudate nucleus and the putamen are not affected. There is also considerable increase in the amount of glia tissue in the affected region.

* * * * * * *

While a few examples follow trauma, the frequent occurrence of the Parkinsonian syndrome coincident with the recent worldwide epidemic of encephalitis lethargica has called attention to the important role which this infection plays in the production of a special type of paralysis agitans. Unquestionably many of the cases occurring in young adults not heretofore understood are due to a mild encephalitis which, occurring several years before, has passed unnoticed. The first investigation of these cases suggested that the pathological condition is due to a selective atrophy of the motor cells of the pallidal system. Subsequent studies showed that the lesion was situated chiefly in the substantia nigra, and the changes in the globus pallidus were considered secondary to those of this region or merely accidental findings. Further investigation has shown that the lesions are often much more extensive, involving the internal capsule, thalamus, caudate nucleus, and the frontal lobe. Under these circumstances, careful quantitative estimations of the cellular changes are important, and it has been found that in three cases of postencephalitic paralysis agitans an average decrease in the number of neurons from 57 to 87 percent has occurred in the substantia nigra without significant lesions in the globus pallidus. In this connection it is not without interest that in patients with general paralysis definite pathological changes were found in the basal ganglia which may be responsible for the inexpressive facies and the fine tremors about the eyes and mouth occasionally seen in this disease.

Some observers consider the classic Parkinsonian lesion a chronic progressive degenerative condition of the entire central nervous system, a position well supported by the clinical symptoms in advanced cases, and it is not therefore proper to look on paralysis agitans merely as an end result of encephalitis. Evidently under this general title there are numerous closely related clinical conditions associated together, of which the classic paralysis agitans is due to a degenerative type of lesion involving the extrapyramidal system, mainly the basal ganglia and especially the substantia nigra, while the lesion in the post encephalitic syndrome, though degenerative in a degree, is also combined with inflammatory phenomena.

These small infected areas developed in the brain tissue or the membranes surrounding it develop and destroy brain tissue, resulting in the formation of scar tissue disconnecting the continuation of the normal function of brain impulses, ultimately resulting in a complete loss of coordination and muscular control, or a mental deviation which finally results in the unfortunate individual being confined in an asylum, either in a state of asthenic or maniacal condition, based largely upon the results of the ravages of the disease.

In the face of the experience of these pathologists who devoted a long and successful career in their chosen profession to the welfare of mankind, for any layman to even presume to criticize the presumptive period that a disease germ may lurk in the human body before it manifests itself would be as though I, as a layman, and in some parts of this country a physician with a fair reputation, should try to interpret a paragraph in the Constitution on a parity with one of the members of the Supreme Court or one of the learned lawyers of the land.

Mr. President, the whole panorama of legislation as it presents itself in H.R. 2820 is predicated upon the wrong premises. It is tearing down constructive and progressive legislation upon the subject of the relief of the American soldier which started back in the early days of this Republic. It would be better to suspend the supportive laws of the soldiers or to reduce the compensation that is paid them than to repeal and destroy these laws, if our country's financial and economic strain requires it.

I have numerous telegrams, Mr. President, some for and some against the President's program. It would be expensive and would do no good to ask the privilege of having these messages printed in the RECORD. I must use my own judgment as to the course I shall take, and in the time to come explain to those to whom I am responsible.

I have carefully studied data supplied to me by the Veterans' Bureau which were compiled as of December 31, 1932, and I find that the number of veterans receiving compensation for service-connected disabilities is 335,600, and the number of veterans receiving disability allowance for non-service-connected disabilities is 440,954.

A study of these two totals shows that 19 percent of those who are receiving compensation have a tubercular disability and 5½ percent of those receiving disability allowance for non-service-connected disabilities are afflicted with tuberculosis.

A further analysis of those receiving compensation shows that 20.63 percent are neuropsychiatric cases, and the percentage of veterans who are receiving benefits for non-service-connected disabilities amounts to 13.73 for neuropsychiatric cases.

The statistics show that 6.55 percent of those receiving compensation are insane, and 14 percent may be classed as neurotic to a greater or less degree.

I give these statistics to show that quite a large percentage of those receiving compensation and disability allowance are afflicted with disabilities such as tuberculosis and neuropsychiatric disorders, many of which depend for a lengthy period upon their development, and consequently the need of a presumptive period is self-evident to every medical man and even to laymen with a keen observation of cases of this character.

Mr. President, the more I read this measure and the report and the hearings in connection with it, the more I am convinced that there has never been introduced in the Halls of Congress a more sweeping measure or one which so ruthlessly destroys a series of constructive acts relating to the veterans of this country. It not only exacts a penalty from World War veterans but it goes back to the Spanish-American War veterans, and then it proceeds shamelessly to deal with the gray-haired veterans and the widows of the Civil War and the Indian wars of this country.

This bill proposes to tear up the beneficial legislation that has been enacted during the past 15 years after long

and careful study and in consonance with the mature and sober judgment of those who had intimate knowledge of veterans' affairs.

The Veterans' Committee of the House and the Finance Committee of the Senate have held many hearings since the date of the armistice, and the facts presented have served as a basis for constructive legislation for the veterans of the various wars of this country.

To tear down in a few days what has been written into the statute books during the past 15 years is not the proper way to proceed, even though the Budget demands economies at the expense of the veterans.

Section 17, on page 9, of the bill provides that—

All public laws granting medical or hospital treatment, domiciliary care, compensation and other allowances, pension, disability allowance, or retirement pay to veterans and the dependents of veterans, * * * are hereby repealed.

If that section is adopted, how are these veterans who served us going to live? This one sentence destroys the careful consideration that each Congress since the armistice has given to the veterans. It destroys decisions of the Attorney General, of the Comptroller General, and decisions handed down by the various courts of the land. Everything is repealed, and everything is placed in the hands of one man in order to economize and to save at the expense of the very men who never had a thought of saving themselves but rather saving their country in the trenches in France.

So sweeping are some of the provisions of this act that no one knows who or how many of the present veterans will be excluded from the rolls of the Veterans' Bureau.

Consider the enormous expense that has been incurred not only by the veterans but by the Government in passing upon and completing the claims for disability benefits.

The bill goes even further. It not only permits the wholesale dismissal, canceling, and voiding of claims, but it denies to the claimants any appeal to the courts. Why is the veteran excluded from the courts if he and his attorneys feel he has been unjustly denied his rights? The courts have never shown a prejudice in favor of the veterans. I might go further and say that the Veterans' Bureau has never shown favors to the veterans; but apparently not only is the legislative branch surrendering but the judicial branch of the Government is being denied any participation in the orderly process of adjudicating claims.

Section 3 of the present measure gives to the President powers which have heretofore been reserved for the legislative branch of the Government in dealing with the veterans, which, to my mind, is unwise and is only being enacted under the pressure of hysteria; and in the final analysis, Mr. President, the Government will lose—if not the Federal Government, then the State and the local governments of the 48 States of the Union.

Section 5 takes away from the veteran his right to go into court and contest his case, a right which other claimants of the Government still retain. Why take away from the veteran his constitutional right of a court review?

Section 9 provides that after a claim has been finally disallowed it shall not be reopened or allowed. Anyone familiar with the veterans' cases readily understands that new evidence in the form of medical or lay affidavits is often procured, and certainly this should be given due weight by the bureau, even after the case has been disallowed. Any provision prohibiting reopening of a case is denying the veteran his constitutional rights.

Even the Supreme Court of the United States will take under advisement and reopen a case if new evidence is forthcoming.

Never in the history of the legislative Halls of Congress has a measure ridden over the rights of our veterans so roughly, so cruelly, so unlawfully, as is done by the bill now pending before us. Practically every sentence, every clause, every section can be so interpreted that every veteran, no matter whether he be slightly or permanently disabled, will be deprived under this iniquitous measure of his country's care and his just dues.

Mr. President, I wish it understood that I am in favor of economy in government, but I do not think that a system of laws which has been erected with the assistance of medical skill and with the aid of those who are most familiar with veterans' disabilities and who have labored long to classify them and their effects upon different occupations, should be wiped out by a stroke of the pen and the whole responsibility of dealing with the veterans given to one man. No matter how good his intentions, no matter how warm his sympathy, he can never in a few months or a few years act constructively to the same degree of perfection and efficiency as those who have studied, drafted, and interpreted the laws and the regulations thereunder for the benefit of the veterans for the past 15 years.

I note that section 10 provides that it will be necessary for an emergency officer in order to receive retirement pay to show a causative factor arising out of the performance of duty which resulted in his disability. How is this going to be accomplished, Mr. President, in justice to the officer, if he acquired in his system a tubercular deposit which has laid there dormant for 4 or 5 years, only manifesting itself at a time when he has no evidence to prove that he developed that infection during the time he served the Government? The same principle, Mr. President, can be applied to diseases of the meninges of the brain, which start out with a small infection but develop into a brain destruction or a mental lesion which for all time condemns the unfortunate soldier, who served his country and his flag in time of need and distress, to confinement in an institution for mental diseases.

How can a man whose disability is tuberculosis or a neurosis show a causative factor? These disabilities do not give immediate evidence of their presence; they often do not show for many years after the causative factor. How many laymen or even medical men could positively state that a tubercular condition or a neuropsychiatric condition was due to a certain cause or event on a certain day and date when the disability was contracted? It is apparent in every page of this proposed law that medical skill was not consulted in drafting its provisions, with a consequent total disregard of the veterans' rights, which I am sure any court of equity would recognize, and the veterans are denied access to the courts although other groups of citizens still retain their constitutional rights of appealing to the courts of the land. Our economy must be tempered with justice; but the economy in this bill is procured at the expense of the bill of rights in the Constitution, and therefore I feel that, in duty to my oath to support the Constitution and the laws of this land, I cannot give my support to this measure.

Mr. President, it is unthinkable that I, as a physician, knowing the situation as I do, could bring myself to the point of supporting the pending legislation. Nor do I believe that the rank and file of those who make up this great and glorious Republic of ours, numbering some 125,000,000 people, will approve such a course. If they do, Mr. President, I am willing to take my position upon the side of right, and to support what I believe to be right in the interest of the American soldier, and let the American electorate, so far as it is represented in the State of West Virginia, do their duty toward me when the time comes. Regardless of other considerations, I intend to do what I believe to be right to those who served the country in preserving the honor of the American flag.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The question is on the amendment offered by the Senator from Missouri [Mr. CLARK] to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LONG. Mr. President, the Senator from Missouri has stepped out of the Chamber for a moment. He has empowered me to ask that his amendment be withdrawn.

Mr. HARRISON. What amendment?

Mr. LONG. The 25-percent amendment; so that we may have a straight vote on the amendment offered by the Senator from Wisconsin.

Mr. LA FOLLETTE. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The amendment to the amendment is withdrawn. The question is on the amendment offered by the Senator from Wisconsin, on which the yeas and nays are demanded. Is the demand seconded?

Mr. HARRISON. I suggest the absence of a quorum.

Mr. LONG. Mr. President, have the yeas and nays not been ordered?

The PRESIDING OFFICER. They have not. The clerk will call the roll for the purpose of ascertaining the presence of a quorum.

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

Adams	Copeland	Keyes	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Dale	Lewis	Russell
Bachman	Dickinson	Lonergan	Sheppard
Bailey	Dieterich	Long	Smith
Bankhead	Dill	McAdoo	Steiwer
Barbour	Duffy	McCarran	Stephens
Barkley	Fess	McGill	Thomas, Okla.
Black	Fletcher	McKellar	Thomas, Utah
Bone	Frazier	McNary	Townsend
Borah	George	Metcalf	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkley	Hale	Norbeck	Van Nuys
Bulow	Harrison	Nye	Wagner
Byrd	Hastings	Overton	Walcott
Byrnes	Hatfield	Patterson	Walsh
Capper	Hayden	Pittman	Wheeler
Caraway	Hebert	Pope	White
Clark	Johnson	Reed	
Connally	Kean	Reynolds	

Mr. LEWIS. I desire to announce that the Senator from Colorado [Mr. COSTIGAN], the Senator from Utah [Mr. KING], and the Senator from Virginia [Mr. GLASS] are detained from the Chamber by personal illness. I wish this announcement to stand for the day.

I also wish to announce that the Senator from Wyoming [Mr. KENDRICK] is absent, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. CLARK. Mr. President, I desire to withdraw the amendment I have offered to the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE] and give notice that if his amendment is voted down, I shall reoffer mine as a separate amendment.

Mr. ROBINSON of Arkansas. Mr. President, I understand fully that the Senate desires to vote; and it is not my purpose to take longer than 3 or 4 minutes.

One can readily understand that those who are opposed to this legislation, those who believe that the existing conditions should be continued with respect to veteran allowances, would be disposed to support the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE]. Let me point out that it does not meet, as I comprehend it, the issues in and underlying the bill. It makes no distinction whatever between service-connected and non-service-connected disability. It imposes a flat reduction of 15 percent on all veteran allowances.

As an economy measure the amendment is clearly inadequate. If it were the just and sound process for finally working out the problems that are involved in this proposed legislation, it might be accepted without doing violence to necessity; but there is no foundation for the contention that these laws, merely because they apply to veterans and to their interests, have a character sacred and distinct from other national statutes.

The simple fact is that during the course of the years that have followed the great world conflict, we have hastened generously to make provision for those who so gallantly defended our flag during the war; and there have grown up many abuses which will require study, and somewhat careful consideration, to eliminate them. That is the purpose of this bill. To content ourselves with a mere flat reduction, to impose that reduction on all classes of veterans without distinction, would of itself, in my humble opinion, work injustice.

After prolonged consideration we wrote into this bill what has come to be known as the Walsh amendment, giving a distinct and separate status to service-connected cases compared with non-service-connected cases. This amendment would reduce in the same amount the allowances made for those who actually suffered injury and wounds while engaged in military or naval operations as in the cases where the recipients of the allowances incurred their injuries out of line of duty.

I respectfully suggest that the amendment should not be agreed to.

Mr. LA FOLLETTE. Mr. President, I wish merely to say a few words in response to the suggestions offered by the Senator from Arkansas.

I am assuming that this is an emergency bill which we are considering. I am proposing a 15-percent cut to meet the emergency and to give an opportunity for Congress to reconsider the structure of veterans' legislation in a proper legislative procedure.

Months have been consumed in studying this question by a special Committee on Veterans' Affairs, of which the Senator from Massachusetts [Mr. WALSH], the Senator from Georgia [Mr. GEORGE], the Senator from Indiana [Mr. ROBINSON], and others are members. It is my information that that committee was ready to make its report when this legislation came in.

My amendment provides an emergency reduction to meet the emergency, to preserve the structure of veterans' legislation without a blanket repeal, and to give an opportunity to Congress in the interim to revise this legislation and to take out any inequities or any injustices which may have crept into it.

I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE], on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CAREY], who is absent in attendance on the funeral of the late Senator Howell. I do not know how he would vote on this question. I transfer that pair to the Senator from Utah [Mr. KING], and will vote. I vote "nay."

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague [Mr. COOLIDGE] is paired on this measure with the junior Senator from New Mexico [Mr. CUTTING]. If the junior Senator from New Mexico were present, he would vote "yea," and if my colleague were present he would vote "nay."

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS]. If my colleague were present, he would vote "nay."

The roll call was concluded.

Mr. NEELY. The senior Senator from Colorado [Mr. COSTIGAN] is absent because of illness. I am authorized to state that if he were present on this roll call he would vote "yea."

Mr. OVERTON. I have a general pair with the Senator from Virginia [Mr. GLASS], but I am advised that he would vote on this question as I intend to vote. I therefore feel at liberty to vote, and vote "nay."

Mr. HEBERT. I desire to announce that the Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Wyoming [Mr. KENDRICK]. I am not advised as to how these Senators, if present, would vote on this question.

I also desire to announce that the Senator from Wyoming [Mr. CAREY] and the Senator from Nebraska [Mr. NORRIS] are absent in attendance on the funeral of the late Senator Howell; also, that the Senators from Minnesota [Mr. SHIPSTEAD and Mr. SCHALL] are necessarily absent.

Mr. REED. I announce the necessary absence of my colleague [Mr. DAVIS] because of illness.

Mr. LEWIS. I desire to announce the general pair of the Senator from Nevada [Mr. PITTMAN] with the Senator from Minnesota [Mr. SCHALL].

The result was announced—yeas 16, nays 62, as follows:

YEAS—16

Bone	Frazier	McCarran	Patterson
Borah	Hatfield	McGill	Steiwer
Caraway	La Follette	Neely	Thomas, Okla.
Clark	Long	Nye	Wheeler

NAYS—62

Adams	Connally	Hayden	Robinson, Ark.
Ashurst	Copeland	Hebert	Russell
Austin	Couzens	Johnson	Sheppard
Bachman	Dale	Kean	Smith
Bailey	Dickinson	Keyes	Stephens
Bankhead	Dieterich	Lewis	Thomas, Utah
Barbour	Dill	Lonergan	Townsend
Barkley	Duffy	McAdoo	Trammell
Black	Fess	McKellar	Tydings
Bratton	Fletcher	McNary	Van Nuys
Brown	George	Metcalf	Wagner
Bulkley	Goldsborough	Murphy	Walcott
Bulow	Gore	Overton	Walsh
Byrd	Hale	Pope	White
Byrnes	Harrison	Reed	
Capper	Hastings	Reynolds	

NOT VOTING—16

Carey	Davis	Logan	Robinson, Ind.
Coolidge	Glass	Norbeck	Schall
Costigan	Kendrick	Norris	Shipstead
Cutting	King	Pittman	Vandenberg

So Mr. LA FOLLETTE's amendment was rejected.

Mr. CLARK. Mr. President, I desire to offer an amendment.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 1, line 5, the Senator from Missouri moves to strike out through line 25, on page 10, and to insert in lieu thereof the following:

SECTION 1. The rate of pension or compensation of each person receiving pension or compensation after the date of enactment of this act is hereby reduced by 25 percent. When used in this section, the term "compensation" shall include military and naval compensation for death or disability payable under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or any special act of Congress authorizing payment of such compensation, and the annuities authorized by the acts approved May 23, 1908, February 28, 1929, as amended, and January 31, 1931. When used in this section, the term "pension" shall include any amount payable to any person by virtue of being placed on the pension rolls of the Veterans' Administration pursuant to any act of Congress.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. CONNALLY. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The clerk will report the amendment.

The CHIEF CLERK. On page 10, line 14, the Senator from Texas proposes to insert:

SEC. 19. Notwithstanding any of the provisions contained in this title, in no event shall World War service-connected disability compensation of any veteran or the pension of any veteran of a war prior to the World War be reduced more than 25 percent of the amount thereof according to existing rates and subject to any rerating of disability under this act.

Mr. CONNALLY. Mr. President, this amendment provides that all these cases may be rerated as provided in the bill, and that after they are rerated, which we suppose will throw off all those unworthy and not disabled, and after the rolls have been cleaned of unworthy cases, the compensation of a service-connected World War disabled veteran shall not be reduced more than 25 percent of the present rate structure in existing law; that the pensions of the Spanish-American War, being for a war prior to the World War, may also be rerated under the rules promulgated by the President, as carried in this bill, but that once the rerating is had, the pension shall not be reduced more than 25 percent, according to the present standards of rates.

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

Mr. CONNALLY. I yield.

Mr. WALSH. Is the rerating provided for in the amendment mandatory?

Mr. CONNALLY. No; it is not in the amendment; it is already provided for in the bill. The President can rerate, under the bill.

Mr. WALSH. Under existing law, the Veterans' Administration can reexamine and rerate everyone receiving a pension or compensation.

Mr. CONNALLY. That is true.

Mr. WALSH. And it is to be assumed that the Veterans' Administration has not been negligent in administering the law, and that those who have been receiving benefits have proven, under existing law, their right to compensation or pension.

Mr. CONNALLY. Let me say to the Senator from Massachusetts that the Veterans' Administration is contradicting the assumption which he makes, because the Veterans' Administration today is engaged in rerating thousands of these cases.

Mr. WALSH. It is doing it on its own initiative.

Mr. CONNALLY. My amendment does not require it.

Mr. WALSH. The Senator's amendment is permissive?

Mr. CONNALLY. It is permissive. In other words, they can rerate all these cases under existing law, or under the pending measure. The amendment would put no limitation on non-service-connected disability allowances. If the President wants to remove all those cases from the rolls, he has full power to do so. My amendment is simply a limitation, providing that when the President has once determined that a case is service-connected and the soldier's claim has been rerated and the proof is that he has a watertight case, then he shall not be reduced over 25 percent under existing rates, where the case, according to the Veterans' Administration and according to the President, was held to have arisen by reason of a soldier's service in line of duty.

Mr. WALSH. Mr. President, there are two classes of service-connected cases; first, the cases of those whose disability is directly traceable to the service. They have been eliminated from this bill by the amendment proposed by me and adopted last night. Another class of service-connected cases are the cases of those who have been placed on the rolls under the application of the so-called "presumptive laws", that attach service connection to those suffering from certain diseases. The Senator's amendment would provide that those cases should be subject to the reduction he proposes in the amendment?

Mr. CONNALLY. I assume the Senator is correct about that in connection with his own amendment, although my amendment is in general terms and does not seek to particularize.

Mr. WALSH. What is the rate of reduction?

Mr. CONNALLY. Twenty-five per cent.

Mr. WALSH. The Senator would provide for a reduction of 25 percent to all service-connected cases, and that would include the so-called "battle-casualty" cases as well as presumptive cases.

Mr. CONNALLY. If the President sees fit. My amendment is not mandatory.

Mr. WALSH. In other words, the Senator's amendment provides that in the administration of the act, if the President elects to do so, he may pursue the policy of reductions not exceeding 25 percent.

Mr. CONNALLY. That is right.

Mr. WALSH. Of course, he has that right under the measure anyway, but not necessarily the limitations of 25 percent.

Mr. CONNALLY. But not to exceed 25 percent. Under the measure he could cut the compensation 50 percent or 75 percent.

Mr. BARKLEY. Mr. President, under the bill the President could bring about a reduction of 5 or 10 or 15 or 25 percent or any other percentage he might find advisable.

Mr. CONNALLY. Yes.

Mr. BARKLEY. Of course, this all has to be done through the agency of the Veterans' Administration or such other agency as the President may adopt. What would the Senator think might be the likelihood of the Veterans' Ad-

ministration or any other agency accepting this figure of his amendment as a yardstick and reducing everybody 25 percent, whereas under the bill as drawn they might make a reduction of 5 or 10 percent to different groups, depending upon circumstances? We have found heretofore that where we say they shall not go beyond a certain limit they accept that limit as the expression by Congress of a yardstick.

Mr. CONNALLY. If they did in this case, they would exhibit very little comprehension, because the amendment simply provides that they cannot go beyond that. The amendment impinges in no degree upon the President's full authority with reference to reratings and reclassifications and the fixing of new rates, except that he must not decrease the man with service-connected disability more than 25 percent; that is all.

Mr. BARKLEY. It does, though, make a standard yardstick for all disabled men, so that a man who is now suffering from total permanent disability and drawing a hundred dollars a month is put on the same basis with the man who is only partially disabled and is drawing much smaller compensation. That is true, is it not?

Mr. CONNALLY. I do not grant that; no.

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

Mr. CONNALLY. I yield.

Mr. HASTINGS. In order that I may definitely understand the amendment, if under the present law a service-connected case was receiving $60 a month, then under no conditions, if this amendment be adopted, could that compensation be reduced more than $15, so that the soldier would be certain to receive $45. Is that correct?

Mr. CONNALLY. That is the effect, in substance.

Mr. HASTINGS. As the bill is drawn, of course, that $60 could be cut to $30, or $20, or to anything the President might decide.

Mr. CONNALLY. The Senator is correct. I only want to take a few moments, Mr. President. What is proposed to be done by this bill? There is a clerk in one of the departments here, for instance, who is drawing $100 a month. We say to the President, "You shall not decrease this man more than 15 percent. You cannot cut the clerk, a well man, a civilian, who never saw a uniform, more than 15 percent." We are not willing to trust the President when it comes to a clerk. He must not go beyond 15 percent.

Here is an other man, a soldier—battle scarred, diseased, perhaps disabled in the line of duty, because under this amendment nobody but a man who received his injury in line of duty is affected—and we say about him, "Mr. President, we will not let you cut this man's compensation over 25 percent."

Is that showing any favoritism to the soldier? Is that knuckling to the soldier? We have told the well man who is anxious to get a job at $100 a month that he is sacred up to 15 percent of his salary. Is it unfair to ask that the soldier who is drawing $100 a month—a service-connected disability case—shall not be reduced more than 25 percent?

It does not interfere with the plenary powers of the President as to rerating or as to reclassification or as to striking from the rolls those who do not belong there, but it does say that in the service-connected cases he must not reduce more than 25 percent. I submit that is a fair act of justice. It is nothing more than the Senate ought to do with reference to the service-connected cases. I am not speaking about the non-service-connected disability allowance. I am speaking about the soldier who proves his title to his compensation.

Mr. DILL. Mr. President——

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

Mr. CONNALLY. I yield.

Mr. DILL. The Senator spoke a moment ago about rerating and reviewing these cases. Is it the Senator's understanding that the Veterans' Bureau is to continue its policy of calling in these ex-service boys every few months, as it has been doing for the past few years?

Mr. CONNALLY. I understand they have the authority and I assume they are going to rerate all of these cases.

Mr. DILL. I have been informed that 40 percent of the expense of the Veterans' Bureau is due to its continual calling in of these men and having the doctors examine and reexamine them and rerate them, causing continual commotion and inconvenience and distress among the men. It seems to me we are wasting far too much money in that way.

Mr. CONNALLY. Suppose a man is now drawing $100 a month for full disability allowance. Under the terms of the bill the President can have him rerated and instead of finding him 100 percent disabled the President can find that he is only 75 percent disabled. My amendment does not interfere with that, but my amendment provides if he is 75 percent disabled he can only be reduced 25 percent of that 75 percent. It does not freeze him in his present status. It merely means that after he has been rerated, and it is found that he has a certain degree of disability, then on the basis of existing law that compensation shall not be reduced more than 25 percent.

I submit the amendment in the belief that the fairness and sense of justice of the Senate will bring its adoption.

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

Mr. CONNALLY. Certainly.

Mr. WALSH. Does the amendment which the Senator proposes leave it discretionary with the President to modify or repeal or change the presumptive cases?

Mr. CONNALLY. Under the general clauses of the bill the President probably has that power. My amendment does not seek to interfere with it.

Mr. WALSH. If I understand the amendment, the President, under the bill, regardless of the amendment, can wipe out all presumptive cases and then be forbidden in other cases to reduce the compensation.

Mr. CONNALLY. The Senator from Massachusetts is entirely correct. The amendment does not prohibit the President from cutting off all the presumptions he desires which are provided for under other provisions of the bill. After all those things are done and the man is still found to be a service-connected case, then my amendment provides a limitation that no more than 25 percent reduction of the allowance for that particular rating shall be made.

Mr. TRAMMELL. Mr. President——

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

Mr. CONNALLY. I yield.

Mr. TRAMMELL. I wish to ask the Senator if he does not think it would be a more fair proposition to specify 15 percent instead of 25 percent?

Mr. CONNALLY. This is a limitation.

Mr. TRAMMELL. I know it is a limitation; but the man receiving a salary of $10,000 a year or $15,000 a year or $20,000 a year is subject to a reduction of only 15 percent.

Mr. CONNALLY. I am trying to get an amendment adopted. I want one that the Senate will adopt. It has already voted down a proposal for 15 percent. This is simply a limitation to the effect that the President may not go beyond 25 percent. The Senator from Florida is a practical man. Let us get something adopted instead of simply making gestures and useless motions. Let us do something. This is an amendment which Senators can heartily approve, and I believe it is only fair that the Senate should adopt it.

The VICE PRESIDENT. The time of the Senator from Texas has expired.

Mr. TRAMMELL. Mr. President, I would rather have the 25 percent than not have any limitation whatever. I think if we were to run a spirit of fairness all through the legislation, however, we would provide a 15 percent maximum.

Mr. LONG. Mr. President, may I say to the Senator from Florida that we have already lost two such amendments. We had a vote on making it 15 percent. I think the Senator was absent from the Chamber at the time. We lost that vote. Then we had a vote on a straight 25 percent reduction and lost that. The only chance we have now at all is in the amendment of the Senator from Texas.

Mr. President, I ask for the yeas and nays on the amendment of the Senator from Texas.

The yeas and nays were ordered.

Mr. HARRISON. Mr. President, this amendment ties up presumptive service-connected cases. We have in the bill a provision that gives to the President, where a person is in the employ of the Government receiving a big salary and at the same time receiving a pension, the right to deal with that particular proposition and reduce the pension to what he thinks is right and proper, and make it equitable and fair under the circumstances. If the amendment should be adopted, it would confuse the situation. It applies to the Spanish-American War veteran, and it might restrain the President from reducing in some cases where a person is in the employ of the Government making a large salary, and prevent the President from making the reduction which he believes should be made. I hope the amendment will be defeated.

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. CAREY], who is absent in attendance upon the funeral of the late Senator Howell, of Nebraska. I do not know how he would vote on this question. I transfer that pair to the senior Senator from Utah [Mr. KING] and vote "nay."

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague the junior Senator from Massachusetts [Mr. COOLIDGE] has a pair with the junior Senator from New Mexico [Mr. CUTTING]. If the Senator from New Mexico [Mr. CUTTING] were present and voting, he would vote "yea." If my colleague [Mr. COOLIDGE] were present and voting, he would vote "nay."

Mr. OVERTON (when his name was called). On this question I have a pair with the senior Senator from Virginia [Mr. GLASS]. If that Senator were present, he would vote "nay," and if I were at liberty to vote I would vote "yea."

The roll call was concluded.

Mr. NEELY. I wish to announce that the senior Senator from Colorado [Mr. COSTIGAN] is absent because of illness. If he were present, on this question he would vote "yea."

Mr. HEBERT. I wish to announce the following general pairs:

The senior Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK];

The junior Senator from Minnesota [Mr. SCHALL] with the Senator from South Carolina [Mr. SMITH]; and

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN].

The result was announced—yeas 28, nays 45, as follows:

YEAS—28

Black	Copeland	Long	Russell
Bone	Couzens	McCarran	Steiwer
Borah	Dill	McGill	Thomas, Okla.
Bratton	Duffy	Neely	Trammell
Caraway	Frazier	Nye	Vandenberg
Clark	Hatfield	Patterson	Wheeler
Connally	La Follette	Robinson, Ind.	White

NAYS—45

Adams	Dale	Kean	Sheppard
Austin	Dickinson	Keyes	Stephens
Bailey	Dieterich	Lewis	Thomas, Utah
Bankhead	Fess	Lonergan	Townsend
Barbour	George	McKellar	Tydings
Barkley	Goldsborough	McNary	Van Nuys
Brown	Gore	Metcalf	Wagner
Bulkley	Hale	Murphy	Walcott
Bulow	Harrison	Pope	Walsh
Byrd	Hastings	Reed	
Byrnes	Hebert	Reynolds	
Capper	Johnson	Robinson, Ark.	

NOT VOTING—21

Ashurst	Davis	Logan	Schall
Bachman	Fletcher	McAdoo	Shipstead
Carey	Glass	Norbeck	Smith
Coolidge	Hayden	Norris	
Costigan	Kendrick	Overton	
Cutting	King	Pittman	

So Mr. CONNALLY's amendment was rejected.

Mr. CONNALLY. Mr. President, I offer the same amendment with the Spanish-American War veterans eliminated, leaving it applicable only to the World War service-connected cases. I do not care to address the Senate further, but would like to have a vote on my amendment.

The VICE PRESIDENT. Let the amendment be read for the information of the Senate.

The CHIEF CLERK. On page 10, after line 14, insert the following:

SEC. 19. Notwithstanding any of the provisions contained in this title in no event shall World War service-connected disability compensation of any veteran be reduced more than 25 percent of the amount thereof according to existing rates and subject to any rerating of disability under this act.

The VICE PRESIDENT. The question is on the amendment of the Senator from Texas [Mr. CONNALLY].

The amendment was rejected.

Mr. BORAH. Mr. President, I offer the following amendment, to be inserted in the proper place in the bill.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. Insert at the proper place in the bill the following:

The mileage allowances of Senators, Representatives in Congress, and the Delegates from Hawaii and from Alaska, and the Resident Commissioners from the Philippines shall be at the rate of 5 cents per mile, to be estimated by the nearest route covering traveling in going to and returning from each regular session; all acts and parts of acts in conflict with this amendment are hereby repealed.

Mr. BORAH. Mr. President, I do not desire to enter upon a lengthy discussion of the amendment. I have already stated my position. It is not merely a question of economy; it is primarily a question of whether Congress will continue to avail itself of a law passed in 1866, and which as now administered amounts to a large bounty. Certainly in these days we will not continue to accept hundreds of thousands of dollars to which under no law of justice or fair dealing with our Government are we entitled. I urge the Senate to endorse the amendment.

Mr. ROBINSON of Arkansas. Mr. President, I do not believe the amendment should be adopted. The bill makes a reduction of 15 percent in the salaries of Senators and Members of the House of Representatives. I believe that is an adequate and fair reduction. The mileage allowance is scarcely adequate in many cases to pay the actual traveling expenses of a Member of Congress and of his family in coming to and returning from the Capital at the times when they are expected to do that. I do not believe the amendment should be agreed to.

Mr. BORAH. May I say, Mr. President, that this amendment as offered, if agreed to, would provide for higher mileage than would be necessary for the individual Senator himself? It will take care, in a measure, of both his own and his wife's traveling expense.

Mr. President, I do not offer this amendment as a matter of economy alone, although that is a very important consideration in connection with it; but I do not think we can justify collecting 3 or 4 times as much mileage as we have actually to expend. I do not think it is fair to keep the Congress in the position of being criticized for that amount of money, and it seems to me we ought to insert the amendment not only as a matter of economy and of saving but for our honor and self-respect. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. BULKLEY. Repeating the announcement previously made with respect to my general pair with the junior Senator from Wyoming [Mr. CAREY], I transfer that pair to the senior Senator from Utah [Mr. KING] and vote "nay."

Mr. BARKLEY. My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS]. I was requested by my colleague to announce that he would vote against any amendments to the pending bill. I do not know whether or not he contemplated the introduction of the pending amendment, and therefore I do not know how he would vote on it.

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from New Mexico [Mr. CUTTING] with the Senator from Massachusetts [Mr. COOLIDGE];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Minnesota [Mr. SCHALL] with the Senator from South Carolina [Mr. SMITH].

I am not advised how any of these Senators would vote on this question.

The result was announced—yeas 35, nays 42, as follows:

YEAS—35

Ashurst	Capper	Murphy	Townsend
Bailey	Caraway	Neely	Trammell
Barkley	Connally	Pope	Tydings
Black	Couzens	Reynolds	Vandenberg
Bone	Gore	Robinson, Ind.	Van Nuys
Borah	Hatfield	Russell	Wagner
Brown	Hebert	Sheppard	Walcott
Byrd	La Follette	Stephens	Walsh
Byrnes	McCarran	Thomas, Okla.	

NAYS—42

Adams	Dickinson	Hayden	Nye
Austin	Dieterich	Johnson	Overton
Bachman	Dill	Kean	Patterson
Bankhead	Duffy	Keyes	Reed
Barbour	Fess	Lewis	Robinson, Ark.
Bratton	Frazier	Lonergan	Steiwer
Bulkley	George	Long	Thomas, Utah
Bulow	Goldsborough	McGill	Wheeler
Clark	Hale	McKellar	White
Copeland	Harrison	McNary	
Dale	Hastings	Metcalf	

NOT VOTING—17

Carey	Fletcher	McAdoo	Shipstead
Coolidge	Glass	Norbeck	Smith
Costigan	Kendrick	Norris	
Cutting	King	Pittman	
Davis	Logan	Schall	

So Mr. BORAH's amendment was rejected.

Mr. McGILL. Mr. President, I send forward the following amendment.

The VICE PRESIDENT. The Senator from Kansas offers an amendment, which the Clerk will report.

The CHIEF CLERK. The Senator from Kansas offers the following amendment:

Page 2, line 6, commencing with the word "the," strike out through the word "or," in line 8.

Page 2, line 15, strike out commencing with line 15 through line 19.

Page 2, line 20, strike out "(e)" and insert in lieu thereof "(d)."

Page 9, line 9, commencing with the word "Spanish," strike out through the word "the," in line 11.

Page 9, line 15, strike out "Spanish-American War" and insert in lieu thereof "termination of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection."

Page 10, line 16, strike out the term "Spanish-American" and insert in lieu thereof the word "World."

Page 2, line 10, after the word "disease" and the period, strike out the following:

"*Provided*, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law; but the President may reduce the rate of pension as he may deem proper."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. McGILL. Mr. President, I can explain this amendment in a very few moments. The amendment offered would strike from title I such provisions, except the last provision thereof, as apply to Spanish-American War veterans. In other words, it will leave the existing law applicable to the Spanish-American War veterans as it is at this time and would make a total reduction in the fiscal year 1934 of 10 percent upon their pensions.

Mr. President, as the bill is now drawn, the veterans of the Civil War will have their pensions reduced for the fiscal year 1934 by 10 percent, and the object of this amendment is to place the Spanish-American War veterans in the same category as the veterans of the Civil War.

Mr. President, I feel the Spanish-American War veterans are in a little different position from the veterans of the World War. Many of them are not able, even though they have received service-connected disability, to establish that fact at this time. The Spanish-American War veterans are now, most of them, past the age of 62 years, and all who are past that age, the age of 62, under existing law are entitled to receive a pension. They have been receiving that pension for only the period of a very few years. To my mind it is unfair, it is unjust to cut them off at this time.

As the bill was originally drawn it was contemplated to strike from the pension rolls all Spanish-American War veterans unless they could show service-connected disability. I submit it is nothing more than right, just, and fair to the veterans of the Spanish-American War that this amendment be adopted.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Kentucky?

Mr. McGILL. I yield to the Senator from Kentucky.

Mr. BARKLEY. I am informed by officers of the Veterans' Bureau that under the bill as it is drawn the interpretation is that unless the Government affirmatively proves that any Spanish-American War veteran now on the roll is not disabled from a service-connected cause, he will remain on the rolls. In other words, the burden of proof is on the Government, under the bill, to show that any Spanish-American War veteran is not suffering from any service-connected disability. If that be true, if that be the interpretation, it seems to me that it will be rather difficult for the Government to get very many of them off the roll; and I am wondering whether, if that be the true interpretation, they would not be in better condition under that language and under that interpretation than even under the Senator's amendment.

Mr. McGILL. Mr. President, I do not feel that the language of the bill as originally drawn and as now framed would be subject to the interpretation indicated by the Senator from Kentucky.

The testimony before the Finance Committee, given by General Hines, was to the effect that in the event the bill as originally drafted were passed, he would be able to save to the Government something like $95,000,000, unless a provision such as I have offered is adopted.

Several Senators addressed the Chair.

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

Mr. McGILL. Did the Senator from Missouri desire to ask me a question?

Mr. CLARK. I just wanted to ask the Senator from Kentucky [Mr. BARKLEY] where he found that provision in the act.

Mr. HARRISON. Mr. President, the provision in the proposal gave to the President the power to make regulations, and so forth. The law itself did not take it from him.

At the insistence of Senators, we were persuaded earlier in the day to accept an amendment that we thought would satisfy the situation and take care of the Spanish-American War veterans. As the bill is now written, without amendment, we think it does take care of the situation.

Mr. McGILL. Mr. President, the amendment accepted by the chairman of the Finance Committee, and adopted earlier in the day, would permit whatever administration might be administering the law to reduce the pension of a Spanish-American War veteran to a minimum. The administrator could reduce it to 10 cents a month if he saw fit. I submit that amendment does not reach the situation we are entitled to reach and would reach by this amendment.

Mr. HARRISON. May I say to the Senator that it does give to the President the power to do all that he says, but it also gives to the President the power to take into consideration the age of the veteran, 62 years, as does the present law.

Mr. McGILL. That is all it gives him power to do, may I say to the Senator; and while the President is given this authority I am not unmindful of the fact that the authority conferred upon the President by this bill will necessarily be by him delegated to others to administer.

Mr. President, I ask for the yeas and nays on this amendment.

The VICE PRESIDENT. The Senator from Kansas demands the yeas and nays. Is the demand seconded?

The yeas and nays were not ordered.

Mr. BAILEY. Mr. President, I have just received the following telegram, which I wish to read to the Senate:

The General Assembly of North Carolina has just passed resolution calling upon the Senators from North Carolina to vote for the economy measure which passed the House and now pending in the Senate.

STACEY W. WADE,
Secretary of State.

I shall vote faithfully according to the tenor of this telegram.

Mr. BARKLEY. Mr. President, I desire simply to read a question and answer propounded by me during the testimony of General Hines which was the basis of my inquiry from the Senator from Kansas a moment ago.

After some other questions, I asked this:

You mean that in all cases where the Spanish War veteran is drawing a pension now, the disability would be presumed to be of service origin unless the Government proves to the contrary?
General HINES. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. McGILL].

The amendment was rejected.

Mr. TRAMMELL. Mr. President, I offer the amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, line 22, after the word "per centum," the Senator from Florida proposes to add the following:

Except upon salaries of more than $5,000 per annum and not more than $7,500 per annum, the reduction on the amount of the salary above $5,000 and not exceeding $7,500 may be as much as 20 percent; and on the amount above $7,500 and not exceeding $10,000, the reduction may be 25 percent; and on the amount above $10,000, and not exceeding $12,500, the reduction may be 30 percent; on the amount of salary in excess of $12,500, the reduction may be made as much as 33⅓ percent.

Mr. TRAMMELL. Mr. President, I am very much in sympathy with the most commendable efforts being made by our distinguished and most capable President to bring about economy and to take some effective action toward that accomplishment.

I yield to no one in my confidence and admiration for our President. He is fully proving himself the man of the hour. I have always stood for economy in government, but for some time I have been doubly impressed that there had to be not only a substantial cutting of town, city, State, and National cost of government, but a sweeping curtailment all up and down the line. I have already supported many economies and have sponsored a number of curtailments myself. I have fully realized that it was necessary for those in governmental authority to come down to earth on the question of the expenditure of the public funds of this country in order that we might maintain our credit and keep at the minimum the burden of taxation upon the people of the country.

I am fully in sympathy with the action of the President in bringing this question in such forceful way to the attention of Congress and with the courageous and able stand which he has taken upon the question of a policy of economy. I am with him 100 percent in the aim he would attain.

Action is required; but as I have read this bill, and have thought of the different provisions in the measure suggested to effectuate economy and to bring about a balancing of the Budget, I have been impressed, and everyone who has read and studied it must have been impressed, that the larger part of reduction in expenditures is to fall upon those who are least able to sustain the reduction which will befall them. I favor, however, and realize conditions demand, a drastic slashing of expenditures and action now. For a time both State and Federal Governments went mad in expenditures, in favoring monopoly and nursing the special classes who have enriched themselves at the cost of the many. For ages the money powers have inveighed against the general welfare of our country until they have all but pulled the house down upon themselves in their madness for domination and enrichment. We are faced with a reality; a cloud now hangs over us; we must if possible clear the sky. I think it is a tragedy, that it is an injustice to tell a soldier who is getting only $12, $15, $20, or $40 per month, "Your compensation rights are to be thrust into the hopper and reduced, if need be," and at the same time tell the person who is receiving from the money of the taxpayers ten, twelve, or fifteen thousand dollars per annum, "We are going to reduce your salary only 15 percent." There is no restriction upon the amount that the compensation of a soldier may be reduced, while in the case of the pay of the civilian employee I believe the President is limited to 15 percent.

Action of this character may be necessary under the crisis that is pending and the conditions that exist in the country; but when we are endeavoring to bring about economy, to bring about a reduction in the expenditures of Government, and achieve a balancing of the Budget, in the name of justice and right why is it that we tell the man who is receiving a Government salary of $12,000 per annum that we propose to reduce his salary only to $9,875, and still leave him that amount? Why is it that some of you fight to have no more reduction upon a salary, say, of $6,000, $7,000, $10,000, $12,000, $15,000, or $18,000 per annum? And there are many thousands of Government officials who are receiving such salaries. Do you think it would be an injustice to them, in this crisis, to reduce their salaries more than 15 percent and still leave for them handsome and generous incomes? Do you not think in the interest of patriotism, in the interest of love of country, in the interest of trying to redeem this country from its crisis, in making possible the balancing of the Budget, which everyone has claimed is so necessary, that that group of high-salaried Government officials should be required to stand a reduction in their salaries of more than 15 percent, which is applied to all small and minor salaries?

It is a real sacrifice to most of the people with these small and medium salaries upon whom we are going to impose this reduction of salary; but what sacrifice would it be if we should make even a larger reduction of the higher salaries and still leave net salaries of $5,000 to $15,000, for them, by adopting my amendment prescribing a larger percentage of reduction upon them? I think it only right and just.

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

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

Mr. TRAMMELL. I yield.

Mr. VANDENBERG. I cordially sympathize with the objective the Senator is seeking to reach. I desire to see whether his amendment is in a form which would work, however.

Mr. TRAMMELL. Oh, it will work, all right.

Mr. VANDENBERG. No; I am wondering if this is not the fact. Is not the Senator making a permissive reduction?

Mr. TRAMMELL. I am making a permissive reduction. I followed that system because it is the system provided in the bill as it stands.

Mr. VANDENBERG. Who decides, under the Senator's amendment, what the reduction shall be?

Mr. TRAMMELL. Whoever the President employs; some agent that he employs to carry out the authority vested in the President. Of course it is necessary to entrust that authority to him and in actuality it will necessarily have to be administered by his agent. I did not attempt to make that imperative when all the rest of it is permissive.

Mr. VANDENBERG. May I interrupt the Senator further and ask him if this would not be a more practical way to do it? I am merely seeking to aid the Senator. I am not in controversy with him.

Under the terms of the bill, the Senator is familiar with the fact that the President is to establish a base percentage of reduction which is related to the facts as he finds them in respect to the cost of living. We will say that that is 15 percent, and that seems to be the expectation. Suppose we were to say that the percentage as found by the President

shall apply to all salaries up to $3,000, and that there shall be an additional 1 percent reduction for each additional $1,000 of salary above $3,000. Then we would have a specific rule.

Mr. TRAMMELL. I think myself that it would be better to have a compulsory reduction in salaries exceeding, say, three or four thousand or five thousand dollars per annum, because ordinarily the question of the cost of living in no way touches the person who is getting a salary of four or five thousand dollars per annum; and a standard based upon ascertaining what amount he can afford to have his salary reduced in proportion to the cost of living is not a proper standard for the high-salaried employee. I think the Senator's idea along that line is a good one.

Mr. VANDENBERG. I wonder if the Senator would be willing to substitute for his own amendment the one which I now hand him; the net result being that the basic reduction, which is assumed to be 15 percent, will apply up to $3,000, and 1 percent additional reduction arbitrarily will be made for each $1,000 of salary in addition to $3,000? In other words, the $10,000 salary will reach 22 percent reduction.

Mr. TRAMMELL. I favor the compulsory idea. While I was carrying out the policy of the bill of making it permissive, this suggestion will be acceptable to me, so far as I am concerned.

Mr. WALSH. Mr. President, may the modified amendment be stated?

The VICE PRESIDENT. The Senator from Florida modifies his amendment. The clerk will state the modification.

The LEGISLATIVE CLERK. On page 12, line 23, it is proposed to omit the period after the word "title" and add the following:

For all officers and employees whose compensation amounts to $3,000 a year or less, and the compensation as determined under paragraph (a) of this section for all officers and employees whose compensation exceeds $3,000 per annum shall be reduced by the percentage, if any, determined in accordance with section 3 of this title, plus 1 per cent for each $1,000 in excess of $3,000 per annum.

Mr. TRAMMELL. Mr. President, I really prefer that policy. I had that in mind when I was drafting my amendment; that is, that it should be compulsory for people who receive salaries over and above the amount of necessary expenditures for living purposes.

Mr. WALSH. Mr. President, what are the estimated savings or economies that would accumulate as the result of the adoption of the amendment?

Mr. TRAMMELL. I have not the tabulation. It will run into several million dollars. The people of this country who have become aroused against this idea of governmental salaries and governmental officials have had their antagonism created, not on account of the person who receives a salary of $1,200 or $1,500 or $2,000 per annum, but they have had their antagonism aroused on account of persons put into different places at eight, ten, fifteen, or twenty thousand dollars per annum, and in a great many instances receive salaries far more than their ability and their experience merit, and in a multitude of cases represent a snap for some pet official.

Mr. WALSH. As I understand the Senator's amendment, it accomplishes all the savings provided for in the bill in salaries up to $3,000, but adds to the savings which will be accomplished, if the amendment is adopted, in salaries beyond $3,000.

Mr. TRAMMELL. That is what it does. It is a substantial aid to reducing Government cost; it reaches the big man, who is able to stand the deduction without hardship, and thereby enables him to give evidence of his patriotism.

Mr. WALSH. I ask the Senator whether his proposal of this reduction applies to Senators and Representatives.

Mr. TRAMMELL. Certainly it will apply to them, and it should apply to them.

Mr. WALSH. Then it will never pass.

Mr. TRAMMELL. That does not make any difference in the justice of my amendment. It should apply to them. I am not sympathetic with the idea of endeavoring to get the reductions in expenditures, in trying to balance the Budget, only out of that certain class of people of this country who are least able to pay; and too often that has been the case in this body and in both branches of Congress.

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

Mr. WALSH. I yield.

Mr. DILL. Would the Senator's amendment affect the part of the bill which proposes to take $150 away from the $1,000 employee of the Government?

Mr. TRAMMELL. It would not touch that, but instead leave that provision of the bill intact.

Mr. DILL. It seems to me that the worst part of this cut in salaries is that we are asked to reduce the salaries of the people drawing above a thousand dollars 6⅔ percent more than they are now cut, but we are asked to take 15 percent off the $1,000 man. We are asked to take $150 out of every $1,000 salary.

Mr. TRAMMELL. This amendment would not add to that reduction. Its main purpose is to assist in reducing Government expenditures and to keep Government cost within the revenue.

Mr. DILL. If the Senator would exclude in his amendment the civil employees of the Government drawing below a thousand dollars, about 100,000 of them, from the operation of this 15 percent cut and then use this proposal of an increased rate upon the higher salaries, he would be doing a great service to the employees and the salaried people on the Government pay rolls.

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

Mr. TRAMMELL. I yield.

Mr. COUZENS. An amendment already has been drafted on this side of the Chamber and is ready to be offered later on, to eliminate all those drawing below a thousand dollars a year.

Mr. DILL. It is little less than cruel to take a hundred and fifty dollars away from those getting only a thousand dollars, when we take only 6⅔ percent in addition from the others.

Mr. TRAMMELL. Mr. President, I am thoroughly in sympathy with the idea the Senator expresses, but I have felt for a great many months—in fact, probably for a year or more—that any Government employee who is receiving even a thousand dollars, or eleven hundred dollars, or twelve hundred dollars per annum, in this crisis, should be patriotic enough to be willing to have some reduction made in his salary. In reaching this view, however, I have been inspired and instilled with the idea that the employee who receives $3,000 or more a year should be willing to take a greater percentage of reduction. I regard it as but right and just that the person of a salary of, say, $5,000, $10,000, or $15,000 should have a larger percentage of reduction applied to his salary——

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

Mr. TRAMMELL. I yield.

Mr. REED. I have just looked at the Senator's amendment, and I am curious to know, in the case of a $4,000 income, whether the reduction would be 15 percent of the first $3,000 and then 16 percent on the next $1,000, or whether it would be 16 percent on all $4,000. I would like to have the Senator from Florida tell me how he understands it.

Mr. TRAMMELL. The Senator probably was present when the Senator from Michigan offered his suggestion, which I thought was good.

Mr. REED. That is all right, but I have just read the amendment, and it is very vague on the point to which I have referred. I do not see how it could be applied.

Mr. TRAMMELL. I thought the amendment specifically provided that the increased percentage should apply on the increased brackets.

Mr. REED. It is just the opposite of what the Senator from Michigan has just told me, and I understand it was he who wrote it. Does not the Senator think that if we

are going to amend the measure we ought to insert amendments which would be lucid enough to be capable of definite interpretation?

Mr. TRAMMELL. There is no question about the interpretation of the amendment I originally proposed on that particular point. The only thing was, the Senator from Michigan suggested that it be made mandatory upon salaries above $3,000. I had made it merely permissible just as the other provisions of the bill were, in regard to salaries, following out the policy of the bill.

I am not in conflict with the general object and purpose of this measure, although I do not approve its details in toto; but I think it is not amiss and not offensive to our country or with the efforts being made by our great and patriotic President, for a Senator who sees proper to offer an amendment which would contribute a greater amount in the curtailment of expenditures by the Government and would assist in the desire to balance the Budget.

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

Mr. TRAMMELL. I yield.

Mr. VANDENBERG. May I say to the Senator that the language of his amendment, as he has now offered it, was drawn by the Director of the Budget at my request, and it means a 16 percent reduction on the $4,000 salary, a 17 percent reduction on the $5,000 salary, and so forth, provided the base reduction is 15 percent. We are using 15 percent as the base. We do not know that that will be the base, because the base is to be determined by the President, in respect to the difference in the cost of living. Whatever the base is, this automatically increases by each bracket.

Mr. LONG. Mr. President, when are they going to charge Members of Congress money for coming here?

Mr. TRAMMELL. I am not settling that question. I think that if a Representative or a Senator happens to be called upon to exercise some patriotism, and to respond to the spirit of a patriotic and wonderful President in the matter of trying to help this country, it is his patriotic duty to respond, even if it does cost him a reduction of two or three or four thousand dollars per annum in his salary, instead of calling first, and not only first but first, last, and always upon those who are least able to make the contribution, and exempt those who are most able to make the contribution. That is my position in regard to that. Every official and Government employee must join with the millions of unfortunate Americans in the sacrifices necessary in the terrible depression now upon the Nation.

This is an unusual time and we have to forget ourselves, do things we would not do any ordinary time, and bear our part of the burdens.

Mr. President, I have been a Member of the Senate a good many years. I have been here in this Chamber when salary questions have arisen from time to time, and one would need a spyglass to find the Senator here who would defend the rights of the ordinary clerk drawing $1,200 or $1,500 or $2,000 a year if someone attacked the salaries, and wanted to reduce them. But let someone dare propose to reduce a salary of $8,000, $10,000, or by illustration the $12,000 per annum paid to each of the 12 members of the Interstate Commerce Commission. As a matter of fact, we have no use for over 5 or 6 members of that Commission. I do not mean to criticize them personally, but I am talking here of the principle involved. If we attempted to reduce one of those $12,000 a year salaries, the presiding officer would have a most difficult task in determining which of the 15 or 20 Senators first arose to speak against the idea of the reduction in that salary. If the question of a raise of salary of the average, ordinary clerk, should arise, the question of increasing the salary from $1,500 to $1,700 a year, or $160 a year, from the rage of many of our good friends here in the Senate one would think it was going to wreck the Government. But let someone rise and propose an increase of salary of well-paid Government officials who already receive $10,000 a year when there was a desire to increase the salaries to $12,000, it would be thought that was a patriotic duty to be performed by the Congress of the United States. I have the highest regard for our courts, but remember well how so many Senators urged increases in Federal judges salaries a few years ago.

I see that the same spirit as ever prevails when it comes to the question of trying to rescue the country from the greatest crisis which has ever befallen it. When the President of the United States, in his earnest effort to endeavor to balance the Budget, tries to save money here and there, in various places, I see, just as always during the times of prosperity, many of my friends who say, "Hands off. Hands off. You must not interfere with these people who are making $10,000, $20,000, and $30,000 a year salaries. You must not make any reduction in their salaries which will be of any consequence or would be of any inconvenience or self-denial to them."

On the other hand, they are very insistent upon getting the greater part of the reduction out of the small-salaried people. I think the reduction is necessary, and I am going to support the bill. I think it is necessary, but I am at a loss to understand why there is such zealousness in protecting the interests of those who can afford to suffer a large reduction, and, on the other hand, such zealousness to make those who can least afford to suffer the reduction contribute practically the entire amount that is desired and needed for the purpose of balancing the Budget in this country.

Mr. President, I have offered this amendment. I have expressed my views, but I do not suppose it will do any good. I am heartily in sympathy with the President. I supported him long before the convention. I am a great admirer of his. I think he has made a most excellent and splendid record so far in his administration. But that does not alter my views that it is an injustice if this Senate does not make a greater percentage of reduction upon these large salaries than we do upon the smaller salaries.

Mr. President, there are thousands upon thousands who are getting these large salaries. Many of these departments, many of these bureaus, are absolutely honeycombed with men, many of whom are not really earning $50 a month but who are receiving salaries of seven, eight, ten thousand, twelve thousand, fifteen thousand, and twenty thousand dollars per annum. I think they should be required, if they, through their selfishness, are not willing to make their contributions toward the balancing of the Budget, and that if necessary from them should be wrung some degree of patriotism.

I am with our President in his fight to steady the ship, and expect to vote for this bill, because he asks for it and thinks it a right step toward recovery and absolutely essential. We have to have leadership if we are ever to recover from the calamities which have befallen us.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida [Mr. TRAMMELL.]

The amendment was rejected.

Mr. DICKINSON. Mr. President, I now call up an amendment which is lying on the desk.

The VICE PRESIDENT. The clerk will report the amendment.

Mr. DICKINSON. Mr. President, I think the Members of the Senate have had this amendment on their desks, since it has been printed for several days. It is rather a long amendment, and I do not see the necessity of reading it. I ask unanimous consent that the amendment be not read, because I think it is pretty well understood.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DICKINSON. I should like to make one correction in the amendment. On page 17, line 22, I want to strike out "15 percentum," and to insert "by the percentum determined by the President under section 3 of title II of this act."

The VICE PRESIDENT. Without objection, the amendment will be modified as suggested by the Senator from Iowa.

The amendment, as modified, was, on page 1, beginning with line 5, strike out through line 9 on page 10, and insert in lieu thereof the following new sections:

SECTION 1. Notwithstanding the provisions of law in effect at the date of enactment of this act, except as to those persons who have attained the age of 65 years, or those persons who served in the active military or naval forces and who actually suffered an injury or contracted a disease in line of duty as a result of and directly attributable to such service, or those persons who, in accordance with the World War Veterans' Act, 1924, as amended, or the laws granting military or naval pensions, are temporarily totally disabled or permanently and totally disabled as a result of disease or injury acquired in or aggravated by active military or naval service, or those persons who while in the active military or naval service engaged in actual combat with, were under actual fire of, or served in the zone of active hostilities against the armed forces of the enemy in any war in which the United States was engaged, no allowance, compensation, retired pay, pension, hospitalization, or domiciliary care under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, the laws governing the granting of Army and Navy pensions, the laws governing the granting of domiciliary care by the Veterans' Administration, or the Emergency Officers' Retirement Act of May 24, 1928, shall be payable or granted to any person whose net income as defined by the Administrator of Veterans' Affairs, was $1,500 or over, if single, and $3,500 or over, if married, for the year preceding the enactment of this act or the year preceding the filing of application for benefits, whichever is the later. The minimum amounts above specified shall be increased by $400 for each person dependent upon the applicant during the period prescribed. Such benefits shall not be paid or granted during any year following that in which the net income plus allowance for dependents exceeds the prescribed amounts: *Provided*, That irrespective of the income for a preceding year, upon submission of proof satisfactory to the Administrator of reduction in income during the current year below the amounts specified herein, when prorated monthly, such benefits as may otherwise be authorized shall be allowable from the date of administrative determination. Payments of Government insurance, allowance, compensation, retired pay, or pension shall not be considered as income within the provisions of this section. The Secretary of the Treasury is hereby directed upon request to transmit to the Administrator a certificate containing the information required by the Administrator to carry out the purposes of this section affecting each person who is applying for or receiving such allowance, compensation, retired pay, pension, hospitalization, or domiciliary care, and such certificate shall be conclusive evidence of the facts stated therein. As to allowance, compensation, retired pay, or pension being paid, or hospitalization or domiciliary care being furnished, at the date of enactment of this act, this section shall take effect 6 months after such date, and no continuance or granting of allowance, compensation, retired pay, pension, hospitalization, or domiciliary care shall thereafter be authorized except in accordance herewith. As to pending claims and claims filed after the date of enactment of this act, the provisions of this section shall take effect on such date: *Provided*, That this section shall not apply to such persons as are entitled to benefits described in this section on account of the death of any person who served in the active military or naval service.

VETERANS IN INSTITUTIONS

SEC. 2. The first two paragraphs of subdivision (7) of section 202 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 480), are hereby amended to read as follows:

"Effective as of the first day of the third calendar month following the month during which this amendatory act is enacted, where any person shall have been maintained as an inmate of the United States Soldiers' Home, or of any national or State soldiers' home, or of St. Elizabeths Hospital, or maintained by the Veterans' Administration in an institution or institutions, for a period of 30 days or more, the compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, shall thereafter not exceed $20 per month so long as he shall thereafter be maintained: *Provided*, That if such person has a wife, a child or children, or dependent parent or parents, the difference between the $20 and the amount to which the veteran would otherwise be entitled except for the provisions of this subdivision may be paid to the wife, child or children, and dependent parent or parents in accordance with regulations prescribed by the Administrator.

"All or any part of such compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, of any mentally incompetent inmate of such institution may, in the discretion of the Administrator, be paid to the chief officer of said institution to be properly accounted for and to be used for the benefit of such inmate: *Provided, however*, That in any case where the estate of such mentally incompetent veteran without dependents, derived from funds paid under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, the laws governing the granting of Army and Navy pensions, or the Emergency Officers' Retirement Act of May 24, 1928, equals or exceeds $3,000, payment of compensation, pension, allowance, or retired pay shall be discontinued until the estate is reduced to $3,000, and this proviso shall apply to payments due or accruing prior or subsequent to the date of enactment of this amendatory act: *Provided further*, That if such person shall recover his reason and shall be discharged from such institution as competent, such sum shall be paid him as is held in trust for him by the United States or any chief officer of an institution as a result of the laws in effect prior and/or subsequent to the enactment of this amendatory act: *Provided further*, That if in the judgment of the Administrator a mentally incompetent person without dependents, receiving compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, requires institutional care for his mental condition and his guardian or other person charged with his custody refuses to accept or permit the continuance of the institutional care offered or approved by the Administrator, compensation, pension, allowance, or retired pay under the Emergency Officers' Retirement Act of May 24, 1928, payable, shall not exceed $20 per month so long as the need for such institutional care shall continue. The Administrator in his discretion, upon showing of proper treatment in a recognized reputable private institution may waive the reduction provided by this subdivision."

EMERGENCY OFFICERS' RETIRED PAY

SEC. 3. (a) In the administration of the act of May 24, 1928, entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War" (U.S.C., supp. V, title 38, secs. 581 and 582), no officer or former officer shall receive retired pay thereunder, unless he served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918, inclusive, and within such period actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to such service, or unless he served a period of 90 days or more between April 6, 1917, and November 11, 1918, inclusive, and actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to service between November 12, 1918, and July 2, 1921, inclusive, and unless he has been or is found by the former Veterans' Bureau or the Veterans' Administration to be not less than 30 percent permanently disabled as a result thereof prior to May 24, 1928, or within 1 year thereafter, in accordance with the rating schedule and amendments promulgated pursuant to subdivision (4) of section 202 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 477), in force at that time, and unless he is found by the Veterans' Administration to be not less than 30 percent permanently disabled at the time of the enactment of this act under such rating schedule as amended and in effect at the date of the enactment of this act: *Provided*, That no person shall be retired without pay except in accordance with the foregoing provisions of this section, except that the degree of disability required for retirement without pay shall be less than 30 percent and more than 10 percent permanent disability.

(b) The Veterans' Administration is hereby authorized and directed to review all claims heretofore filed under the Emergency Officers' Retirement Act of May 24, 1928, and to remove from the rolls of retired emergency officers the names of such officers as are not found to be entitled to retirement under subdivision (a) of this section. The Administrator of Veterans' Affairs is further authorized and directed to cause to be certified to the Secretary of War or the Secretary of the Navy, as the case may be, the names of those officers who are removed from the rolls, and the Secretary of War and the Secretary of the Navy are hereby authorized and directed to drop from the emergency officers' retired list and the Army and Navy registers the names of such officers. Payment of emergency officers' retired pay, in the case of any officer whose name is removed from the rolls or transferred to the list of those retired without pay by reason of the provisions of this section, shall cease on the first day of the third calendar month following the month during which certification or transfer is made, as the case may be. The Administrator of Veterans' Affairs is hereby authorized and directed to transfer the name of each officer removed from the rolls of those entitled to emergency officers' retired pay, to the compensation rolls of the Veterans' Administration, and to pay, commencing with the first day of the third calendar month following the month during which certification is made by the Administrator of the name of the officer removed from the rolls, as herein provided, compensation in accordance with the provisions of the World War Veterans' Act, 1924, as amended, notwithstanding that no previous application for compensation has been made.

(c) The review of all claims authorized and directed under subdivision (b) of this section shall be final, except for one reconsideration. No rerating or review shall thereafter be authorized in such claims.

(d) After the expiration of 1 year following the enactment of this act no review, appeal, or other consideration shall be authorized in connection with any claim for emergency officers' retirement upon which a decision has at any time been rendered by the Veterans' Administration or Bureau.

(e) No person shall be entitled to benefits under the provisions of this section, except he shall have made valid application under the provisions of the Emergency Officers' Retirement Act of May 24, 1928.

(f) All provisions of the Emergency Officers' Retirement Act of May 24, 1928, in conflict with or inconsistent with the provisions of this section are hereby modified and amended to the extent herein specifically provided and stated as of the date of enactment, May 24, 1928.

REPEAL OF PER DIEM ALLOWANCES

SEC. 4. Section 203 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 492), is hereby amended to read as follows:

"SEC. 203. That every person applying for or in receipt of compensation for disability under the provisions of this title and every person applying for treatment under the provisions of subdivisions (9) or (10) of section 202 hereof, shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the Administrator. He may have a duly qualified physician designated and paid by him present to participate in such examination. For all examinations he shall, in the discretion of the Administrator, be paid his reasonable traveling and other expenses. If he shall neglect or refuse to submit to such examination, or shall in any way obstruct the same, his right to claim compensation under this title shall be suspended until such neglect, refusal, or obstruction ceases. No compensation shall be payable while such neglect, refusal, or obstruction continues, and no compensation shall be payable for the intervening period."

LIMITATION OF RETROACTIVE BENEFITS

SEC. 5. Section 205 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 494), is hereby amended to read as follows:

"SEC. 205. The Veterans' Administration may at any time review a claim for benefits under this act, or the laws governing the granting of Army and Navy pensions, and in accordance with the facts found and the law applicable, award, end, diminish, or increase allowance, compensation, or pension, but no allowance, compensation, or pension shall be awarded as a result of such review for any period more than 6 months prior to date of administrative determination. Where the time for appeal prescribed by regulations has expired a claimant may make application for review upon the evidence of record at the time of the last adjudicatory action but no allowance, compensation, or pension, or increased allowance, compensation, or pension, as a result of such review, shall be awarded for any period more than 6 months prior to date of application. No review of any claim shall be made except as provided herein. Except in cases of fraud participated in by the beneficiary, no reduction in allowance, compensation, or pension shall be made retroactive, and no reduction or discontinuance of allowance, compensation, or pension shall be effective until the first day of the third calendar month next succeeding that in which such reduction or discontinuance is determined. The proviso in the paragraph under the heading 'Pension Office' in the act entitled 'An act making appropriations to supply further urgent deficiencies in the appropriations for the fiscal year ending June 30, 1894, and for prior years, and for other purposes,' approved December 21, 1893 (U.S.C., title 38, sec. 56), is hereby repealed: *Provided*, That as to those persons who served in the active military or naval forces and who actually suffered an injury or contracted a disease in line of duty and as the result of and directly attributable to combat with the enemy during war service, the limitations of this section shall not apply."

TRANSFER FROM COMPENSATION TO PENSION ROLLS

SEC. 6. The first paragraph of section 200 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 471), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That where no active military or naval service was rendered between April 6, 1917, and November 11, 1918, no compensation shall be payable for disability or death resulting from injury suffered or disease contracted during active service in an enlistment entered into after November 11, 1918, or for aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the active military or naval service in an enlistment entered into after November 11, 1918: *Provided further*, That the Administrator of Veterans' Affairs is hereby authorized and directed to transfer to the general pension rolls for the Regular Establishment the names of those persons in receipt of compensation who, by reason of the enactment of this amendatory act are no longer entitled to compensation, and to pay such persons pension in accordance with the rates provided for their disabilities under the general pension laws, but this transfer shall not take effect until 6 months following the date of the enactment of this amendatory act: *Provided further*, That this act, as amended, and the laws governing the granting of Army and Navy pensions shall not be construed to deny the right of any person to receive pension on account of active military or naval service subsequent to November 11, 1918: *Provided further*, That the provisions of section 602 of this act, as amended, shall not be construed to authorize the payment of compensation contrary to the provisions of this amendatory act."

TESTIMONY IN SUITS UPON INSURANCE CLAIMS

SEC. 7. The first paragraph of section 19 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, sec. 445), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That in any suit tried under the provisions of this section the court shall not receive, admit, or entertain the testimony of any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, and the date of issuance of the letter of disagreement required by this section shall be the date of denial of the claim, except that if in a preliminary proceeding prior to trial of the claim sued upon, it is shown by the plaintiff to the satisfaction of the court that relevant and material testimony is available from any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, the court shall stay all proceedings in the suit until the statement of such person is submitted to the Administrator of Veterans' Affairs who shall cause the claim to be immediately reviewed, and in case the Administrator allows such claim, the suit shall be dismissed but if the Administrator disallows the claim, such person may be a witness in the trial of the cause: *Provided further*, That the last preceding proviso shall apply to all suits pending on the date of the enactment of this amendatory act against the United States under the provisions of the War Risk Insurance Act, as amended, or this act, as amended."

REVIVAL OF GOVERNMENT INSURANCE REGISTERED

SEC. 8. Sections 305 and 309 of the World War Veterans' Act, 1924, as amended (U.S.C., supp. V, title 38, secs. 516, 516b), are hereby repealed as of the date of their enactment and notwithstanding the provisions of section 602 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 571), no additional payments shall be made under such sections or the third proviso of section 408 of the War Risk Insurance Act, as amended, except to those persons actually receiving payments on the date of enactment of this act, or in those claims where, prior to the date of the enactment of this act, it has been determined by the Veterans' Administration that all or part of the insurance is payable under such sections and the interested person or persons entitled thereto have been informed of such determination: *Provided*, That where a beneficiary receiving insurance payments under such sections dies and there is surviving a widow, child or children, or dependent mother or father, of the veteran, the remaining unpaid installments shall be paid to the following permitted class of beneficiaries in the following order of preference: (1) To the widow of the veteran if living at date of death of the beneficiary; (2) if no widow, then to the child or children of the veteran, share and share alike; (3) if no wife, child, or children, then to the dependent mother of the veteran; (4) if no wife, child, or children, or dependent mother, then to the dependent father of the veteran, but no payments under this proviso shall be made to the heirs or legal representatives of any beneficiaries in the permitted class who die before receiving the monthly installments to which they are entitled, and the remaining unpaid installments shall be paid to the beneficiary or beneficiaries in the order of preference prescribed in this proviso: *Provided*, That this section shall not be construed to affect any claim wherein it is determined by the Administrator of Veterans' Affairs that the insured actually contracted disease or suffered injury in line of duty between April 6, 1917, and November 11, 1918, inclusive, as the result of and directly attributable to actual combat with the enemy during war service, and as the result of such disease or injury, dies or has died or becomes or has become permanently and totally disabled; and as to those cases adjudication shall be made under the law in effect prior to the enactment of this act, in the same manner as if this act had not been enacted, except that the first proviso of section 305 of the World War Veterans' Act, 1924, as amended, limiting the class of beneficiaries, shall be applicable to any case payable under this section: *Provided further*, That the uncollected compensation available under the provisions of the law in effect prior to the enactment of this act must be based upon disease or injury as described in this section.

LIMITATION UPON ATTORNEYS' FEES IN INSURANCE SUITS

SEC. 9. The proviso preceding the last sentence in section 500 of the World War Veterans' Act, 1924, as amended (U.S.C., title 38, sec. 551), is hereby amended to read as follows: "*Provided, however*, That wherever a judgment or decree shall be rendered in an action brought pursuant to section 19 of title I of this act the court, as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same if proper, said fees not to exceed 10 percent of the amount found due under the judgment or decree and to be paid by the Veterans' Administration out of the payment made under the judgment or decree."

SEC. 10. The rate of pension or compensation of each person receiving pension or compensation after the date of enactment of this act is hereby reduced by the percent determined by the President under section 3 of title 2 of this act. When used in this section the term "compensation" shall include military and naval compensation for death or disability payable under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or any special act of Congress authorizing payment of such compensation, and the annuities authorized by the acts approved May 23, 1908, February 28, 1929, as amended, and January 31, 1931. When used in this section the term "pension" shall include any amount payable to any person by virtue of being placed on the pension rolls of the Veterans' Administration pursuant to any act of Congress.

Mr. DICKINSON. Mr. President, in the whole discussion of this bill the thing that is uppermost in all the wires we are receiving with reference thereto is the necessity for balancing the Budget. There has been a great deal of study made of how we can best balance the Budget. I do not discredit the Congress and I do not discredit the executive

department of the Government, as some do. In past years we have made some tremendous reductions. I have noticed in the regular appropriation bills for 1932 we appropriated $4,437,000,000. For 1933 we appropriated $4,153,000,000. For 1934 we have appropriated, including the estimate for the independent offices and the District of Columbia, $2,918,000,000. In other words, between 1932 and 1933 there was a saving of $1,284,000,000 and for 1934 a saving of $226,970,000.

A great many people ask why we have not reduced expenses more. It is for just the same reason that the individual has not reduced his expenses so that he could make his income keep up with his outgo, for the same reason that many manufacturers have not been able to reduce their overhead fast enough to save their institutions. The Government is nothing more nor less than a reflection of the individuals and the business interests of the country that have been going through this down-trend for so many years. That being the case, I think most of the criticism that is placed upon the Congress is unjustified. I think we have made some splendid reductions. I think the executive departments have cooperated all along the line.

But we do find there is one item concerning which the country has been circularized by the National Economy League that is demanding tremendous reductions so far as the Veterans' Bureau and the pensions paid to ex-soldiers are concerned. A study has been made and a great deal of time devoted to that problem. A great deal of data was gathered with reference to it. A great deal of effort is being made to ascertain how to cure the abuses which have grown up in the Veterans' Bureau, and whether or not there can be material and extensive savings made with reference thereto.

As a matter of fact, in the first place, I do not believe that the emergency warrants one phase of the pending measure, and that is the transfer of legislative power out of the hands of the legislative body and placing it in the hands of the Executive. That is a dangerous tendency that I see all along the line with reference to legislation. Were it just one instance only it would not be so bad, but we have numerous instances where this is being attempted. I want to suggest that there is an entire difference between the recommendations of the former President with reference to the reorganization of Government departments and the type of legislation that we have under consideration here now. Under date of December 3, 1929, President Hoover made this recommendation:

> The conservation of national resources is spread among 8 agencies in 5 departments. * * * These functions should be grouped under the direction of some such official as an assistant secretary of conservation. * * * The same may be said of educational services, of merchant marine aids, of public works, of public health, of veterans' services, and many others, the component parts of which are widely scattered in the various departments and independent agencies—

Mr. Hoover proposed further economy—

> by a definite national legislative program of economy which will authorize the consolidation of governmental bureaus and independent establishments; and beyond this, which will permit the removal of long-established methods which lead to waste; the elimination of the less necessary functions and the suspension of activities and commitments of the Government not essential to the public interest in these times.

I suggest that that simply had to do with Government agencies and with nothing else. There is no effort there to go outside into the legislative field.

In the Economy Committee we discussed for a long time as to whether it was constitutional to give to the President any authority whereby he could undo a legislative act by an Executive order. Personally I think there is a great deal of doubt as to whether it can be done. But in this legislation we have gone a great deal farther. In the inaugural address of President Roosevelt he made a very definite statement with respect to this matter. In one paragraph of his address he said:

> But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe.

What are the conditions under which he asks now that we give him this power? The first suggestion we had in reference to that was in his message to the Congress sent to us under date of March 10, 1933, in which he suggested:

> Provision for additional saving is essential, and therefore I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits and giving to the Executive the authority to prescribe the administrative details.

Had Congress failed? Nothing had been asked of Congress. The independent offices appropriation bill carrying the appropriation for the Veterans' Bureau is not yet a law as applicable to the fiscal year ending June 30, 1934. It is now pending in the House of Representatives. It should be passed and the reductions made that will carry out the policies of the Executive now in the White House. But, it may be said, we would have to appropriate all the money that is legislatively authorized. Let me suggest that we could absolutely put in that bill the provisos that are in the amendments here and that were in the economy bill, and provide that the restriction shall be put upon the expenditure of funds and thereby reduce the appropriation.

Was such an effort made? No; that effort was not even suggested. Instead of making an effort to see whether or not Congress could function in the matter, it is simply asked that we transfer to the executive department the legislative authority of this body for fixing compensation for veterans for war service, and in that way undo 12 long years of veterans' legislation for the Veterans' Bureau and many other long years of legislation in behalf of the other ex-soldiers.

It may be said that Congress will not function. I want to make the suggestion that the recommendations in this bill were every one of them agreed upon by the Economy Committee. The members of that committee are outstanding men in public life. I want to read what the then Speaker of the House of Representatives said, the present occupant of the chair in the Senate. He said:

> Under House Resolution 151 the Chair appoints as the Economy Committee the following: Mr. BYRNS—

Mr. BYRNS since that time has been a candidate for the Speakership, but is now the majority leader, occupying the leading position of responsibility for the Democrats on the floor of the House of Representatives—

> Mr. COCHRAN of Missouri, Mr. MCDUFFIE—

Mr. MCDUFFIE was runner-up for Speaker of the House of Representatives, one of the keenest students in the House—

> Mr. Douglas, of Arizona—

He was recently appointed Budget Director under the new Democratic administration. Is there anything unfair about the suggestion I am making? It is a Democratic proposal by the committee that the Speaker selected, composed of Democrats and Republicans in the House.

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

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

Mr. DICKINSON. Certainly.

Mr. VANDENBERG. The fact is that when Mr. DOUGLAS was acting in his own right and in behalf of his economy idea in respect to the veterans he had precisely the economy idea embraced in the amendment of the Senator from Iowa?

Mr. DICKINSON. Absolutely. We had associated with these men Mr. Wood, of Indiana, who was then the minority ranking member of the Appropriations Committee of the House; Mr. Williamson, of South Dakota; and Mr. Ramseyer, of Iowa. Anyone acquainted with the personnel of the House knows that the then Speaker selected a group of men whose ability could not be questioned by anybody to study the very problem I am suggesting here tonight. They made a study of this matter and reported the very proposal I am suggesting here that would involve a saving of over $50,-

000,000. It was sent over here as a rider to the legislative appropriation bill.

Here we had an Economy Committee consisting of former Senator Jones, of Washington; former Senator Bingham, of Connecticut; and myself, on the Republican side; the Senator from Tennessee [Mr. McKellar], the Senator from New Mexico [Mr. Bratton], and the Senator from South Carolina [Mr. Byrnes] on the Democratic side. We spent a good deal of time working out a program of this kind. We brought it to the floor of the Senate. I was keenly disappointed in the result achieved on the floor of the Senate, because in that fight we received only 14 votes against the proposal to strike out all legislation with reference to the veterans and their compensation privileges under the law. How many Democrats voted for it? Only three—the Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. GLASS], and the Senator from Utah [Mr. KING].

I do not see how either Democrats or Republicans can now say, in view of these conditions and that record as made with reference to the economy provisions and the other provisions included in the bill, that we shall say to the President, "We will turn over to you the job of saving $383,000,000." An attempt is made to list what it is thought the saving will be. I am still firmly convinced that we did a good job. The first nine sections of the amendment would take care of the abuses that have grown up in the Veterans' Bureau. They would take out the things that are causing the most complaint against the pensions which are being paid to many veterans. They would correct the abuses that are in the minds of the Administrator of Veterans' Affairs and the committees of the House and the Senate.

I believe it is a constructive proposal because it meets the demand of the country that something should be done to put this matter into reverse gear. It meets the demand of the country that these abuses be corrected. On the other hand, in section 10 the proposal is submitted that there shall be a reduction in the compensation allowances equal to the difference in living expenses now and in previous years as provided in section 2, title II, of the bill.

The VICE PRESIDENT. The time of the Senator from Iowa on the amendment has expired.

Mr. DICKINSON. I will take a little of my time on the bill.

With reference to the savings in the present bill, I know every time a saving is suggested it is said that it is an estimated saving, but nobody knows or appears to know, and there is no definite yardstick by which we can arrive at, the saving. When we come to the service-connected combat disability cases we find there is an exception made, and yet we do not know what the final analysis will be and whether we can reach the savings suggested with that item of the bill.

In the next case we have the question of the Spanish-American War veterans. What was done with them? The total amount provided for payment of the soldiers of the Spanish-American War is $116,000,000. It is contended we are going to save $95,000,000 of it. I presume all Members of the Senate are fully acquainted with the definite program for Federal economy in veterans' expenditures. I find this suggestion: In 1918 and 1920 acts were passed which provided pensions without reference to the death or disability being traceable to war service, and to all veterans 62 years of age or over, whether or not suffering from any disability. In view of the fact that the maximum number of pensions under the old law relating to pension disability or death traceable to war service was in 1913, it seems reasonable to believe that substantially all the increases which have occurred since 1918, and especially since the 1920 legislation, are directly due to such legislation.

Then we have following that the numbers and amounts to be paid. I will take only one or two typical cases.

In 1920, 30,432 veterans; total amount paid, $4,624,000.

In 1930, 217,281 veterans; total amount paid, $83,561,000.

In 1933, 244,728 veterans, with a total of estimates and appropriation of $116,396,000.

It is suggested that out of a total estimated saving of $383,000,000, $95,000,000 is going to be made by measures affecting the Spanish-American War veterans. I make the suggestion that in my amendment there is provided a definite yardstick. Under it we will know what the savings are going to be, and under it there is no question that savings can be made.

I want to go a little farther in order to show the inclination toward economy, and I believe my record shows that I have stood for economy practically all along the line. If my amendment to title I is adopted, that portion of the bill would then be in conference, affecting all the administrative provisions of the bill that have solely to do with the administration of veterans' affairs; all the savings that are provided in the bill as now written could be provided for in conference; and we would have all those savings in connection with the yardstick which I have suggested in my amendment. The question is whether or not we want to accept that program. I know that the country is aflame; that the people think that we have to pass some such measure as this in order to save the economic life of the Nation. I do not agree with that. There can be saved under the bill, perhaps, $250,000,000 or $280,000,000, and yet we are going to find that there are many things the Congress is going to be compelled to do in order to balance the Budget. I think the senior Senator from Ohio [Mr. FESS] showed that very definitely the other day. So this is not the only problem we have before us; we have several other problems which we are going to be compelled to meet.

I want to suggest that while we should reduce expenditures and we want to reduce them, yet we ought to clarify this bill, and I have proposed a method by which it may be done. I do not believe that we will ever make the savings contemplated if we merely transfer authority to the executive department of the Government.

Let me suggest what would happen in that event, and I hope Senators will remember this suggestion in the years to come: Suppose the President starts in to execute the provisions of the bill which is now being considered; do not Senators know that when a veteran's compensation shall be reduced the wires between his home town and Washington will be hot with requests that the Senator or Senators from the veterans' State see to it that he has a square deal so far as his compensation is concerned? So Senators will go down to the bureau; they will find that political pressure will have its effect; and, instead of having an effective method by which reductions may be made, we will find a system of political bartering as to when they shall be made and when they shall not be made. I want to say that that is a dangerous situation so far as the purposes of this bill are concerned. If the law is definite in its terms, there is nothing that the bureau can do except make one decision; but the situation is different when an adjustment may be made according to some yardstick to be specified by rules and regulations promulgated by the President and imposed upon the Veterans' Bureau.

Under those circumstances, when a Senator goes down to the Veterans' Bureau he will say, "This man is being wrongfully deprived of some of his compensation." What will then happen? When the Veterans' Bureau replies, "Well, the rules and regulations promulgated by the President say so-and-so", that Senator will not lose more than the time necessary for him to get a taxicab and to go from the Veterans' Bureau to the White House in the effort to have those rules and regulations changed. So a thousand and one kinds of complications will grow out of this legislation if in its present form it is put through the Congress and becomes a law.

I do not believe that it will save as much money as would be saved by the amendment suggested by me. The first nine sections of this amendment will, according to the best estimates secured by the Democratic committee to which I have referred and the members of the Economy Committee of the Senate, actually save $50,000,000. In addition to that, the saving on pensions, if they shall be reduced 15 percent, will be $124,000,000; and there may be added to

that the administrative provisions, which it is said will result in a saving in hospitalization, domiciliary care, and the other privileges allowed under the present law. In other words, if the administrative provisions are going to be helpful in promoting economies, they can be helpful under provisions of my amendment just as well as under the proposed law; and it is my contention that under the amendment there will be not only a definite yardstick by which to make the reductions, but there will also be a method by which the law may be curatively corrected by eliminating the abuses, and in that way bringing about a permanent status under which we can carry on from year to year.

Naturally many people say that the country must have definite assurance as to just what economies will be effected. I contend that there is nothing definite about the aggregate saving which may be brought about under the terms of the pending bill. When it is said that a man's compensation shall be fixed between $6 and $275, how can anyone know what saving is going to be effected? I want to suggest that I am curious to see the Budget estimate which the President will send to Congress for the appropriations to be made for the Veterans' Bureau in the independent offices appropriation bill. I am anxious to ascertain how much money is going to be estimated by the Budget to meet the terms of this bill. No one can tell; no one knows. Why? Because there is no yardstick by which the estimate may be measured. If, as has been suggested, $400,000,000 shall be saved, there will be eliminated a tremendous sum for payments to World War veterans. It is stated here that that amount for such veterans is $633,000,000.

If $400,000,000 be taken from that sum, there will be only about one third of it left. I do not believe the new administration is going to come to the Congress and say to the Appropriations Committee of the House, "Our Budget estimate for the Veterans' Bureau is only $200,000,000." Suppose it should say that. Senators on the other side may say, "We will get away with it with the country", but I suggest, if that is done, they are going to be placed in the attitude before the country of saying, "Oh, yes; we are going to make an appropriation of only $200,000,000, but after the appropriation is put through we will put through a deficiency bill so as to catch up after July 1." As a matter of fact, that will not work. There ought to be something by which we can definitely say what the expenses of the Veterans' Bureau are going to be. There ought to be something by which we can say that the Civil War veterans and the Spanish-American War veterans are going to cost the Government so many dollars. The figures ought to be definite. The country cannot go ahead and ever be sure that the Budget is going to be balanced if we leave undetermined the amount by which compensation and pension allowances are going to be pared. The present appropriation only lasts until, I think, the 1st of July. Somebody is going to be compelled to go on record in connection with this matter, and I should like to know under what yardstick there can be measured the appropriations which the next independent offices appropriation bill will have to provide.

As a matter of fact, when we read the statements and suggestions as to what the savings will be, there is absolutely no way by which the amount can be determined; there is no way of knowing whether one class will be reduced 20 percent, another class 50 percent, and another class 5 percent; and there is nothing by which it can be determined how much the estimates and appropriations should be.

Recently I have been interested in the increase in the cases of veterans with non-service-connected disabilities who are given compensation. A chart reached my desk this morning which shows that there has been a tremendous increase in the cases that are being allowed throughout the country. In order that we may be able to understand the situation, I am sending to the clerk's desk and am going to ask to have read a table showing the number of veterans allowed compensation in the various States as compared in percentage with the number of men who were sent to the war from the respective States. It is amazing to find that in some States the percentage is only 3, while in other States it is nearly 33. I ask unanimous consent that the clerk read the statement.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Is there objection? The Chair hears none, and the clerk will read as requested.

The legislative clerk read as follows:

The following table shows the percentage of all veterans enlisted during the World War, both men and women, including overseas and domestic service, who were receiving non-service-connected disability compensation on June 30, 1932. The table ranges from a low of 3.2 percent of all veterans from the State of Delaware to a high of 32.2 percent in the State of Mississippi. That means that of all veterans who participated in the World War, enlisting from Mississippi, over one third are now receiving non-service-connected disability compensation. This is in addition to those receiving service-connected disability compensation.

Since June 30, 1932, approximately 40,000 have been added to these rolls, an increase of approximately 10 per cent, which would bring these percentages considerably higher. The full table for all States follows:

	Percent
Alabama	18.9
Arizona	18.3
Arkansas	22.4
California	13.6
Colorado	9.3
Connecticut	6.4
Delaware	5.2
District of Columbia	21.5
Florida	16.4
Georgia	16.8
Idaho	3.2
Illinois	5.9
Indiana	14.3
Iowa	7.3
Kansas	6.7
Kentucky	22.2
Louisiana	10.9
Maine	8.3
Maryland	7.3
Massachusetts	10.6
Michigan	7.5
Minnesota	4.6
Mississippi	32.2
Missouri	13.4
Montana	3.7
Nebraska	8.3
Nevada	8.2
New Hampshire	5.6
New Jersey	3.9
New Mexico	16.5
New York	4.0
North Carolina	7.1
North Dakota	4.7
Ohio	16.1
Oklahoma	13.7
Oregon	7.1
Pennsylvania	9.0
Rhode Island	18.9
South Carolina	15.9
South Dakota	4.8
Tennessee	14.0
Texas	9.2
Utah	4.0
Vermont	7.4
Virginia	5.1
Washington	5.5
West Virginia	9.0
Wisconsin	8.5
Wyoming	13.9

Mr. DICKINSON. Mr. President, I want to give credit for that tabulation to the senior Senator from Rhode Island [Mr. METCALF], who worked out the percentages and delivered the table to me.

There is one further phase of this case that I want to discuss for just a moment, and then I am through. I have shown—and I absolutely believe—that in any program looking to a reduction of veterans' compensation it will be less embarrassing to Members of the Senate to vote for a legislative program that makes a reduction than to vote to transfer this power to the President and give him unlimited authority. In other words, the people expect legislation of us; they know the necessity for action; they know that an emergency exists; they know that savings must be effected; they know that the authority is vested in us to make these savings, and, therefore, they expect us to meet the requirements. On the other hand, I do not believe that they will be satisfied when we transfer interests of the veterans over to the Executive of the United States with authority reposed

in him to prescribe the rules and regulations wherein they shall be classified and their disabilities determined.

There also is another phase of this case. Congress knows the emergency that exists in the various areas of this country a good deal better than does the Chief Executive.

This morning I received from one of the leading papers in my section an editorial, which reads in part:

> From the beginning of our Republic—even before the signing of the Declaration of Independence, in fact—our National Government has recognized a continuing responsibility for its wartime defenders. A study conducted in Iowa has revealed that in 9 cases out of 10, if this responsibility were repudiated at this time, the beneficiaries would have to have a like or a greater degree of financial assistance from the local tax unit or relief agency.

In other words, this is a humanitarian question. I desire to suggest to Senators now that when we transfer this matter to an executive who knows nothing about many sections of the country, we are putting it out of the jurisdiction where it has been lodged ever since the beginning of our Government; and I do not believe that those whose interests are involved are going to take kindly to a proposition of that kind.

Of course, this country has been circularized by the National Economy League. I know nothing about them, and I care nothing about them except that I believe that they are a great deal more interested in a reduction of their tax payments than they are in the welfare of the soldiers living in the various States that are represented in this body.

Next, I am opposed to the transfer of legislative authority to the Executive. The question will be asked, "Well, why did you vote for the bill permitting the reorganization of the Government?"

I want to state that I was the one who demurred in the Committee on Economy for a long time before that proposal was brought out. I do not believe that the expected success will attend such a transfer. I doubt whether a commission or a bureau created by the legislation of Congress can be destroyed by an Executive order. I do not believe we can give the President the right of repeal after legislation is once enacted.

Next, it is asked, "Well, why did you vote for the bank bill?" Because it was declared that that was a tremendous financial emergency, and it was; and in that bill we were dealing with financial institutions. To be sure, it involved the human element, more or less, but it did not involve the human element as this measure does. This bill goes to the very extreme of human interest in every line and every walk of life; and for that reason I want to say that the courts of this country ought to take the stand that the responsibility belongs in the legislative body and not in the executive branch of the Government, and that we ought to maintain that authority and exercise it here. I desire to suggest, further, that it is usually found that Congress rises to meet the emergencies with which it is faced; and Congress could do this now if one half of the pressure were put behind the legislation I am suggesting that has been put behind the bill that is now being considered by the Senate. In other words, the remedy is with Congress. The authority should stay here and not be transferred.

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

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. DICKINSON. I yield.

Mr. FESS. A moment ago the Senator spoke about pressure and mentioned the National Economy League. The Senator would not charge that Members of the Senate were influenced to vote for this bill because of the pressure that has been brought by that organization any more than we would charge that the Senator from Iowa is being influenced by pressure from a certain other group.

Mr. DICKINSON. Not at all.

Mr. FESS. I know that that is not true in his case, and I hope he realizes that it is not true in others.

Mr. DICKINSON. Not at all. I do not impute motives to any Senator or to anyone having any influence in connection with this matter. I do think that the National Economy League has proposed this program over the country, has put out propaganda in support of it, has a great many people working along that line, and, in general, has been a factor contributing to working up an influence and an atmosphere that has brought about the program that has been suggested here.

I accuse no one of being subjected to the dictation of the league, because I do not think that is the case. I do think that they have been influential in creating a certain atmosphere in the various sections of the country, by publicity and by supplying data and by getting various people interested in the program, suggesting that this is the one way in which these reductions can be made, and that the veterans are being overpaid, and that they are largely responsible for the present condition of the Treasury of the United States.

I do not concur in that view. I think the veterans' item in this bill is excessive. I think we would have the same financial difficulty if our veterans' compensation item had been reduced 50 percent several years ago. In other words, it is a condition growing out of the economic crisis rather than a condition growing out of expenditures for any particular purpose out of the Treasury of the United States.

Next, the question is, If we again transfer legislative authority, what are we going to be asked to do next? How much further are we going to surrender our responsibility?

So far as I am concerned, we are not going to transfer any further authority with my vote, because I do not believe we ought to transfer it. If a matter is so difficult that it cannot be adjusted by writing legislation that will cure it, then the probabilities are that humanity will have to weather the storm and work its way out rather than have legislation in an effort to cure it, because that is the purpose for which legislatures are organized.

Next, what about our expenditures? True, our last offering of bonds was oversubscribed. Are we not putting a tremendous amount of emphasis on a single item of expenditure here, and making a mountain out of a molehill, so far as this one item is concerned?

I appreciate the fact that the Government is running a tremendous deficit. I am tremendously concerned about it; but I am not convinced that it can be cured with one particular item, because this is only one of many items that we must cure in order to work ourselves out of this situation.

Next, I want to make this suggestion: Right along with the fact that we are trying to do an unheard-of thing here to meet an emergency, we have staring us in the face various proposals as to what we are going to do tomorrow at the expense of the Federal Government. I noticed a program that was outlined in one of the papers of yesterday or day before, a very far-reaching suggestion, known as the "public building bill", providing, if you please, that the issuance of $500,000,000 in bonds is going to be authorized for a public-building program, one of those programs wherein they are going to enlist men as they would in the Army, carry them to work camps, distribute them over the United States, put them in the reforestation areas, put them on levees, put them on river improvements, put them all over the United States all the time, to be paid out of the Federal Treasury and to be kept at Federal expense, and the Government to borrow the money to do it!

In other words, if our condition is this bad so far as this item is concerned with reference to the veterans, how about the Government's assuming the obligation to take on a program of that kind?—and it is one of the next proposals, as I understand, to come up here and to be presented to this body in the early future. Therefore if we help balance the Budget by this measure, we will turn around and help unbalance the Budget by some such program as that.

Mr. President, there is a safe way by which this thing can be done. This amendment of mine cures the abuses in the Veterans' Bureau. It embodies the best thought of some of the best men who are now working on this problem. It clarifies the atmosphere so far as legislation is concerned. It can be put through this body in lieu of this measure. It will come nearer solving the question than this measure will,

because I believe that in the administration of this measure confusion will be worse confounded; and it will be found that instead of getting out of trouble, we will have gotten further into trouble by the very effort we are making in this legislation.

Therefore, Mr. President, it is my hope that this amendment will be agreed to.

Mr. BULKLEY. Mr. President, I ask unanimous consent for the immediate consideration of Senate bill 334.

Mr. HARRISON. Mr. President, will not the Senator let us get a vote on this matter, please? We are very nearly through.

Mr. BULKLEY. I do not object to that, but I am sure the bill to which I refer will not lead to any debate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. DICKINSON].

Mr. DICKINSON. I suggest the absence of a quorum.

Mr. HARRISON. Will not the Senator, so that we can get through at a reasonable time, have the vote without a roll call?

Mr. DICKINSON. I should like to have a roll call if possible. It will take only a short time.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

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

Adams	Connally	Kean	Robinson, Ark.
Ashurst	Copeland	Keyes	Robinson, Ind.
Austin	Couzens	La Follette	Russell
Bachman	Dale	Lewis	Sheppard
Bailey	Dickinson	Lonergan	Smith
Bankhead	Dieterich	Long	Steiwer
Barbour	Dill	McCarran	Stephens
Barkley	Duffy	McGill	Thomas, Okla.
Black	Fess	McKellar	Thomas, Utah
Bone	Frazier	McNary	Townsend
Borah	George	Metcalf	Trammell
Bratton	Goldsborough	Murphy	Tydings
Brown	Gore	Neely	Vandenberg
Bulkley	Hale	Nye	Van Nuys
Bulow	Harrison	Overton	Wagner
Byrd	Hastings	Patterson	Walcott
Byrnes	Hatfield	Pittman	Walsh
Capper	Hayden	Pope	Wheeler
Caraway	Hebert	Reed	White
Clark	Johnson	Reynolds	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, there is a quorum present.

The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. DICKINSON].

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

The yeas and nays were not ordered.

The amendment was rejected.

Mr. BLACK. Mr. President, I desire to have the attention of the Senator from Mississippi [Mr. HARRISON]. I want to call his attention to subsection (b) on page 13 of the bill. There has been some apprehension on the part of those who would be affected by this section as to the exact meaning of two phases of the section.

In the first place, is it the Senator's understanding that the President would have the power to restore the salaries of employees, in case the index justified it, after they had been lowered?

Mr. HARRISON. Yes. May I say that the Senator from Alabama, I know, has offered an amendment respecting this paragraph, as has also the Senator from Washington [Mr. BONE], both those Senators being interested in the proposition. I have consulted with everybody concerned, from the representative of the White House to all the draftsmen who have had anything to do with the construction of the bill, and it is the intention of the bill, and it is their interpretation that it would give to the President the power, on the ratio-index basis as fixed under the provision, to increase to the cost of living basis of 1928 these salaries, and that he can also go no lower than 15 percent in reducing; that he can increase them back from the point to which they have been reduced if, through the investigation made by the agents authorized, it should be found from one 6 months to another that there was an increase in the cost of living. In other words, after the President lowered the salaries, he could increase them back to the 1928 basis.

Mr. BLACK. But in the aggregate he cannot reduce below 15 percent?

Mr. HARRISON. He cannot in the aggregate reduce them below the 15 percent. He cannot go above the 1928 basis, but he has full jurisdiction. If there was the slightest doubt entertained by the draftsmen or the White House, I would accept either the amendment offered by the Senator from Alabama or the amendment offered by the Senator from Washington.

Mr. BLACK. With that understanding, I shall not offer the amendments.

I desire to ask the Senator a question now with reference to another section, because I should like very much to have an amendment adopted, if the Senator could see his way clear to agree to it, on page 5, at the top of the page.

I might state the reason for this suggestion. I have had an amendment printed which would strike out the words in the second and third lines on page 5, "incurred or aggravated in line of duty in the active military or naval service." That relates to hospital treatment.

Under the law as it is now, men with non-service-connected disabilities who served in the Army can obtain hospital treatment, but those with service-connected disabilities have the preference. This bill would strike from the law the right of those with non-service-connected disabilities having pensions of any kind.

If the hospitals do not treat the men whose disabilities are not service-connected, they will not be filled. In other words, there will be hospitals all over the country, and those hospitals will not be filled, because the service-connected cases will not fill them.

Veterans who are ill have to be treated in hospitals somewhere. With their compensation cut off, as we are proposing to cut it off, they can certainly not pay their way at hospitals. The result will be that they will be treated either in the city charity hospitals, the county charity hospitals, or other hospitals of that type.

The maximum cost that has been estimated on the wildest basis for this expense is $9,000,000. I do not believe it will anywhere near reach that amount. I am wondering whether the Senator from Mississippi does not think it would be right to let those men have the benefit of this hospital treatment, whether their disabilities are service-connected or not, since the service-connected cases get the preference, and on account of the fact that right at this critical period we are cutting off the allowances which they would have. Why not give them hospital treatment if they need it?

Mr. HARRISON. Mr. President, I may say to the Senator that this was one of the strong recommendations. The non-service-connected cases are given domiciliary care and incidental hospital treatment while at the soldiers' home. It is true, as the Senator says, while that class and group have had hospital treatment heretofore, they will not have it in the future. It is the recommendation of the department and of the President, and there will be a saving effected of $9,000,000. Those behind the legislation feel that these non-service-connected cases can be adequately provided for in the soldiers' home, with the incidental hospital treatment they are getting there.

Mr. BLACK. I may call the Senator's attention to the fact that they do not get a pension at the home. I had thought they did. They do not get it unless they have permanent disabilities. Under this measure we will cut off their allowances, which will mean a saving of millions and millions of dollars. Somebody is going to take care of those veterans if they are ill. There will be Government hospitals unfilled. The doctors will be there getting their salaries, the hospitals will be there, with the rooms unoccupied, the nurses will be there, and the result will be that these particular patients who have been treated there will be taken care of in charity hospitals throughout the country.

Mr. HARRISON. Of course, if there are no patients in the hospitals, I imagine that savings will be effected by not

keeping all the force. That is the way the savings will be made.

Mr. HATFIELD and Mr. LONG addressed the Chair.

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

Mr. BLACK. I yield first to the Senator from West Virginia.

Mr. HATFIELD. Not only will the doctors be there but the overhead will be going on. The expense will be just the same, notwithstanding the fact that the hospital will be empty. Is not that true?

Mr. BLACK. The hospital will not be completely empty, but it will be partially empty; and, of course, the overhead will be practically the same, because it will be impossible to reduce the overhead, since they will not know when they will need the hospital for the service-connected cases.

Mr. HATFIELD. In other words, the expense of operating a hospital 50 percent full is almost equal to operating a hospital 100 percent full?

Mr. BLACK. The Senator is more familiar with that than I am. Is that correct?

Mr. HATFIELD. That is correct.

Mr. BLACK. Does the Senator feel that under those circumstances the cost would be practically the same?

Mr. HATFIELD. I do.

Mr. BLACK. I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, in our State we have two charity hospitals and we have the Government hospitals. We are crowded in the charity hospitals in some instances so that we have to put two patients in one bed, whereas there is plenty of space in the Government hospitals. If we today were to put these veterans out of the hospitals, we would decrease the service of the hospitals and we would simply load them onto the States. We would not save anything anywhere. One of the other of us would have to take care of them, and we would be adding to their discomfort and increasing the cost. Either the State must take care of them or the Government must.

Mr. BLACK. Someone must take care of them. I might state that there is a veterans' hospital in Alabama. If this bill shall be enacted as it reads, some of the rooms in that hospital will be vacant. At the same time every charity hospital in the State is filled to overflowing. The same nurses will be there, and somebody must take care of the patients.

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

Mr. BLACK. I yield.

Mr. BARKLEY. Very frequently I receive letters from veterans who are suffering from service-connected disabilities, seeking to be placed in some hospital; and when I take such matters up with the Veterans' Administration, either here in Washington or with some regional office, I get the reply that there are no beds available, and that they will have to be put on the waiting list before they can be put into the hospitals. Does the Senator know whether the removal of the non-service-connected cases from the hospitals, if they should be removed, would result in the hospitals, remaining 50 percent empty, or would the places of those taken out be taken by veterans who are suffering from service-connected disabilities who cannot now get into the hospitals because of lack of room?

Mr. BLACK. I might state to the Senator that I am absolutely sure that the service-connected disability cases will not fill the hospitals, because they have not been filling the hospitals. The result is simply going to be that the Government will have made these huge investments in hospitals, and there the hospitals will be, with the rooms vacant, and veterans of the World War going to charity hospitals and other places.

Mr. President, I am not going to argue this any further. However, I would not feel that it was right not to offer an amendment. I am going to offer the amendment and let the Senate vote on it as it sees fit to. It amounts to very little in money; it amounts to a great deal in comfort for these veterans.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. The Senator from Alabama proposes to strike out, on lines 2 and 3, page 5, the following words: "incurred or aggravated in line of duty in the active military or naval service."

Mr. WALSH. Mr. President, I should like to ask the Senator from Alabama just what change his amendment would make in the proposals of the pending bill and what change the proposals of the pending bill would make in the present law.

Mr. BLACK. The present law, as I understand it, is that the hospitals today are open both to non-service-connected cases and service-connected cases, but the latter cases have the preference. The bill would totally exclude all non-service-connected patients from the Government hospitals. If the bill passes in its present form, no non-service-connected case can be put in a veterans' hospital even though three fourths of the rooms are vacant, the doctors hired, and the nurses there, and every charity hospital filled.

Mr. McKELLAR. Mr. President, may I inquire just what the Senator's amendment would do to such cases?

Mr. BLACK. I simply propose to strike out the words "incurred or aggravated in line of duty in the active military or naval service" and leave the hospitals open to both cases.

Mr. WALSH. Mr. President, may I ask the Senator if he would permit the hospital to be open to all veterans, no matter under what circumstances they incurred disease or injury?

Mr. BLACK. The Senator is correct, but the service-connected veteran would have preference, as now.

Mr. WALSH. Considering the fact that we are entering the field of economy, upon what basis does the Senator claim there is an obligation on the Federal Government to take care of a veteran who is afflicted with a temporary ailment, such as typhoid fever?

Mr. BLACK. I did not intend to go into detail, but I shall be glad to state to the Senator. If a man is sick and unable to receive treatment and pay for it, the community takes care of him. Ordinarily he would go to a charity hospital.

Mr. WALSH. Or a public hospital.

Mr. BLACK. It would not make any difference whether it is temporary or permanent, that is where he would go. He would be supported in the county or municipal hospital. The man is a veteran. We would have a case where there is a veterans' hospital not filled, veterans' doctors paid by the Government, veterans' nurses paid by the Government. I can see no reason why the Government would not have some responsibility for the man if he was sick, when it had hospitals and doctors available.

Mr. WALSH. Is there any such situation in the country today? Are there any veterans' hospitals in the country today that are not filled?

Mr. BLACK. No; because today they take both service and nonservice cases.

Mr. WALSH. Yes; but as a matter of fact the service cases constitute the overwhelming majority and there are very few cases outside of the service cases.

Mr. BLACK. I think the Senator is mistaken in that statement.

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

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

Mr. BLACK. Certainly.

Mr. GEORGE. The Senator seems to be laboring under a misapprehension. Under the provisions of the bill all permanently disabled veterans, although their disabilities are not connected with the service, may be admitted into the homes, and the homes, of course, under the new scheme, will have hospital facilities necessarily. Under an amendment already adopted all tubercular and neuropsychiatric cases are also admitted whether they are service-connected or non-service-connected. About all the nonservice cases

that are not entitled to hospitalization are what may be classified as acute cases. The Administration estimates that some 5,000 to 6,000 beds will be released and that those beds will be commanded by service-connected cases—that is, by those veterans who suffer from service-connected disability.

Mr. BLACK. I stated that the law gives the service-connected cases the preference, as it should.

Mr. GEORGE. But I want to call attention of the Senator to the fact that of the permanent cases——

The VICE PRESIDENT. The time of the Senator from Alabama on the amendment has expired.

Mr. BLACK. Then I will take some of my time on the bill.

Mr. GEORGE. Such cases may go into a domiciliary home.

Mr. BLACK. That is not a hospital.

Mr. GEORGE. There will be hospital facilities in connection therewith, and by an amendment already agreed to, all the tubercular and neuropsychiatric cases are likewise entitled to go into the hospital even though they are non-service-connected.

Mr. BLACK. That is correct. All I am seeking to do is to leave to the President, if he sees fit, which is all it would do, the authority to give them the benefit of the hospitals should it develop they are not filled at all.

Mr. GEORGE. If that were true I imagine the President could find some way to do it.

Mr. BLACK. But they would be expressly excluded by the bill. The bill prohibits the President from doing that even if he desires to do it, because it would declare a policy under which they could not get into a hospital.

Mr. McKELLAR. Mr. President, certainly there would be no objection to leaving it all in the hands of the President to determine by regulation whether the ex-service men could be taken care of in the hospitals after the disabled in line of duty were taken care of.

Mr. BLACK. That is exactly what I am seeking.

Mr. GEORGE. I do not think there is any prohibition on the part of the President in that respect. I do not find any inhibition against the President utilizing any additional space.

Mr. BLACK. If the Senator will read the provision carefully he will note that the veterans do not have the benefit of a hospital even when they are permanently disabled.

Mr. GEORGE. They have domiciliary care, and connected with all the homes would be hospital facilities necessarily for permanently disabled veterans.

Mr. BLACK. I am always very glad indeed to have the opinion of the Senator on a proposition of this kind. The idea I have is that when we provide, the President may adopt regulations to give treatment to certain patients in a hospital; that necessarily excludes the right to prescribe regulations for the treatment of any other patients. That is exactly what is done in the provision I am seeking to amend.

Mr. GEORGE. I doubt if it would deny the President the power under this peculiar language, but certainly if there were beds the President could find some way to utilize them.

Mr. BLACK. Suppose we should strike out the words "incurred or aggravated in line of duty in the active military or naval service"; would not that then leave it to the President to determine whether or not they could have treatment and upon what terms?

Mr. GEORGE. I would then think the Government would have to provide facilities for all the disabled veterans, and that would, of course, mean a further extension of the hospital program.

Mr. BLACK. Of course, I had nothing of that kind in mind. I simply desire to leave it open, so they will not be excluded from the use of the hospitals in these times, when it is necessary that they should go to such places and when there are no vacancies in other hospitals.

Mr. GEORGE. Under the bill as amended not only are the permanently disabled but all the tubercular and neuropsychiatric cases, even though the veterans are suffering from no disability incurred in the service, admitted into the hospitals.

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

Mr. BLACK. I am glad to yield to the Senator from Colorado.

Mr. ADAMS. I want to get the matter clear in my own mind. I understand that section 17 of the bill specifically repeals all laws granting medical or hospital treatment or domiciliary care, so that the veteran with a non-service-connected injury at this time as a matter of right has access to Government hospitals.

Mr. BLACK. Yes; that is correct.

Mr. ADAMS. That is, I, as an ex-service man, if I should be taken sick, have today an absolute right to go into a Government hospital for care?

Mr. BLACK. The Senator would have the right if the beds are there and the service-connected men are not filling them.

Mr. ADAMS. The present law makes it almost a matter of right provided the facilities are there.

Mr. BLACK. Of course, the facilities are not there.

Mr. ADAMS. But there is a definite repeal in section 17 of those rights, so if the Senator's amendment or a corresponding amendment is not adopted, they are excluded unless they have some service-connected disability.

Mr. BLACK. I think the Senator is absolutely correct.

Mr. ADAMS. In section 6 it is provided that the Administrator of Veterans' Affairs is authorized but not compelled, under such limitations as may be prescribed by the President, to do these things. It seems to me the Senator's amendment does place in the hands of the President the right to give these opportunities to non-service-connected cases which will otherwise be absolutely taken away.

Mr. BLACK. I think the Senator is correct.

Mr. HARRISON. Mr. President, we are so anxious to get along, and it is so apparent that the discretion is vested in the President and that he has authority to pass on the question, that I shall withdraw any opposition to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I desire to offer two amendments. Section 3 of title II of the bill, to be found on pages 12 and 13, writes into the law a standard for measuring wages which, in my opinion, is a backward step. It takes a definite standard of living in the past and proposes to adjust wages in accordance with the rise or fall of the index from that standard of living in the past. In other words, it freezes a standard of living into the wage standards of the Government, and in my judgment that will become the accepted practice by precept and example in the industrial employment of wage earners. It presupposes that the standard of living shall not increase, that it shall not rise.

In my judgment, one of the causes of the crisis in which we now find ourselves is the fact that the standard of living and the purchasing power of the people between 1922 and 1929 did not rise in proportion to the increase in the productive capacity of our industrial mechanism. I recognize, however, that the situation confronts us and that this procedure is to be written into the law.

The thing which I desire to accomplish, however, by the two amendments which I now propose to offer is to make certain that the standard of living shall be reinvestigated for the period of 1928 which is to be taken as the base. My justification for that is that every economist and every statistician in the United States who has examined the existing statistics on the standard of living recognizes that they are obsolete and that they are subject to serious statistical and economic criticism.

In support of that contention I wish to quote briefly from Miss Perkins, now Secretary of Labor, in an address delivered March 26, 1932:

> We hear much concerning the cost of living, but the truth is that no satisfactory estimate of cost of living is available. The United States Bureau of Labor statistics made very conservative

estimates some years ago. For an industrial worker, with a wife and three children, in New York City, the estimate was roughly $1,800 to $2,000. Today the same scale could theoretically be maintained for somewhat less. The irony of the situation is, however, that today the wage earner is probably supporting his brother-in-law and cannot get the benefit of reduced rent without moving, which would cost more than the amount saved. There is a great and pressing need for an up-to-date comprehensive survey of the cost of living representing both the United States as a whole and separate regions therein.

Mr. President, I also want briefly to quote from Mr. Louis I. Dublin, vice president of the Metropolitan Life Insurance Co., on this same point.

It is clear—

Says Mr. Dublin—

that there is a distressing lack of factual information on how American families spend their money. The most extensive statistical study is more than 12 years old, and the only one which deals with those above the lower-income group is both old and fragmentary.

Referring briefly to the existing standard-of-living index computed by the Bureau of Labor Statistics, I want to point out that it was made in 1918 on a budgetary estimate of only 12,096 families in the United States. As a sample, it took the incomes under $900, under $1,200, under $1,500, under $1,800, under $2,100, under $2,500, and over $2,500. Then the percentage of expenditure for each group of items was averaged. The variation in the percentages for the different income groups was very large, which again shows the danger of applying an average percentage to a particular group.

For example, the percentage expenditure of income for food in the case of families having incomes less than $900 was 44 percent; 13 percent for clothing, 14 percent for rent, and 17 percent for miscellaneous; but families having incomes over $2,500 spent 35 percent for food, 20 percent for clothing, 10 percent for rent, and 24 percent for miscellaneous.

In other words, Mr. President, the index does not take into consideration the increase in the standard of living which took place between 1918 and 1928. It therefore seems to me it would be little short of folly not to provide for a reinvestigation not only of the cost of living but the standard of living for the base period which is to be the norm upon which employees of the Federal Government are to be asked to take their cuts in wages. Therefore, I offer two amendments, and I ask unanimous consent that they may be considered en bloc.

On page 13, line 1, after the word "cost", I move to insert the words "and standard"; on page 13, line 6, after the word "living", to insert the words "based on the standard of living."

The adoption of these amendments will make certain, Mr. President, that there shall be an investigation of the base period of 1928, which period is to stand during the life of this proposed law, and on which the reductions in the standard of living of Government employees are to be computed.

If the principle of the bill in this respect is sound—which I question—nevertheless it certainly is fair that there should be an actual ascertainment of the standard of living in 1928, and that there should not follow an adjustment of the obsolete inadequate 1918 index to 1928 and then a readjustment to 1933.

I appeal to the Senator in charge of the bill to accept these amendments and to take them to conference. I feel that no Senator who will give this question consideration can properly raise a legitimate objection to these amendments.

The VICE PRESIDENT. The amendments proposed by the Senator from Wisconsin will be stated by the clerk.

The CHIEF CLERK. On page 13, line 1, after the word "cost", it is proposed to insert "and standard"; and in line 6, after the word "living", to insert the words "based on the standard of living."

The VICE PRESIDENT. The question is on agreeing to the amendments proposed by the Senator from Wisconsin. [Putting the question.] The noes appear to have it.

Mr. LA FOLLETTE. I ask for a division, Mr. President.

On a division, the amendments were rejected.

Mr. LA FOLLETTE. Mr. President, I desire to offer several amendments, all seeking to accomplish the same purpose.

Mr. President, if it be determined to write this principle into the wage standard of Government employees, we also should take into consideration that we are setting a precept and example which will tend to become the established practice as far as industrial wages are concerned. If it be just in principle for wages to be reduced when the cost of living falls below the 1928 standard, which is to be taken, I presume, as the base, then certainly in principle it is just that wages should be increased if and when the cost of living rises above the 1928 base.

It seems to me in justice that no Senator supporting this principle of fixing wages for Government employees can deny the logic of that contention. If it be denied, those making the denial take the position that we should take advantage of the decline in the cost of living below the 1928 base to secure a reduction of the salaries of Government employees, but if and when the cost of living rises above the 1928 base we should not permit the employee to have relief under this principle.

Therefore, Mr. President, on page 12, line 21, after the word "reduced", I move to insert the words "or increased"; on page 13, line 16, after the word "lower", I move to insert the words "or higher"; in line 17, after the word "reduction", I move to insert the words "or increase"; and, in line 21, on the same page, after the word "reduction", I move to insert the words "or increase."

I ask, Mr. President, that these amendments may be considered en bloc, for they seek to accomplish the purpose which I have already stated—namely, that according to the same principle by which it is proposed to reduce the salaries of Government employees when the cost of living falls below the 1928 base, we should accord them relief when and if the cost of living during the period while this law is upon the statute books rises above the base period of the standard of living of 1928. I understood the chairman of the committee to state during the initial debate upon this bill that he thought that principle was sound and just.

Mr. HARRISON. Mr. President, will the Senator permit me to interrupt him?

Mr. LA FOLLETTE. I yield to the Senator from Mississippi.

Mr. HARRISON. I stated that on the basis of the 1928 cost of living, taking that as the index, and the cost of living as of the present time, the salaries ought to be reduced in proportion as the cost of living had gone down; but I did not state, at least I did not mean to state, that salaries should be increased beyond the Welch bill on the base of 1928. I think that when salaries are reduced during one period of 6 months and the cost of living goes up in the next period the salaries should be raised according to the ascertainment of facts as to the cost of living. That is what the bill proposes to do.

Mr. LA FOLLETTE. I misunderstood the statement made by the Senator. Nevertheless, Mr. President, if we shall take the 1928 base of standard of living and propose to cut Government employees' salaries as much as 15 percent when the cost of living falls below the 1928 base, I challenge any Senator to deny the proposition that if the cost of living rises above the 1928 base the salaries of Government employees should be increased to meet that rise in the cost of living. If that is the position, then it reveals the fact that this is not a just principle which it is proposed to employ in both directions, but that it is a device whereby it is sought, under the camouflage of dealing justice, to secure only a reduction of the salaries of Government employees when the cost of living falls, and that is not proposed to give the Government employees relief when and if the cost of living rises above the 1928 base.

The VICE PRESIDENT. Without objection, the amendments proposed by the Senator from Wisconsin will be sub-

mitted en bloc. The question is on agreeing to the amendments.

The amendments were rejected.

Mr. LA FOLLETTE. Mr. President, I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The Senator from Wisconsin proposes an amendment which the clerk will state.

The CHIEF CLERK. On page 12, line 14, after the word "employee", it is proposed to insert a comma and the following:

if such compensation is at a rate of more than $1,000 per annum.

On page 12, after line 23, it is proposed to insert the following:

(c) If application of the provisions of this section to any officer or employee would reduce his rate of compensation to less than $1,000 per annum, such provisions shall be applied to him only to the extent necessary to reduce his rate of compensation to $1,000 per annum.

On page 18, line 22, after the comma, to insert:

if such compensation is at the rate of more than $1,000 per annum.

On page 18, line 24, before the quotation marks, to insert the following:

This subsection shall not operate so as to reduce any rate of compensation to less than $1,000 per annum.

Mr. DILL. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Washington.

Mr. DILL. As I understand, this amendment would apply to all those who receive compensation from the Government whether they are in the civil employment or in the Military or Naval Establishment?

Mr. LA FOLLETTE. That is my understanding.

Mr. DILL. Does not the Senator think that there is a difference to be considered between those who have their food and quarters provided for them, as is the case of the Military Establishment and the Naval Establishment and those who must supply their own food, clothing, and quarters?

In other words, the point I am making is this: I understand that the Senator's amendment, if adopted, will involve about $60,000,000, and about two thirds of the employees on the $1,000 list are in the Military and Naval Establishments. It seems to me that there is much to be said for the civil employees that cannot be said for those who have their food and quarters furnished them. I want to submit that suggestion to the Senator.

Mr. LA FOLLETTE. I will say to the Senator from Washington that this language is practically lifted from the present economy act. I think there is much force in the Senator's suggestion, and I will modify my amendment by inserting in line 6, after the words "employed" the words "in the civil establishment of the Federal Government."

Mr. DILL. I think that is a great improvement.

Mr. LA FOLLETTE. Mr. President, I realize that the Senate is in no mood to consider amendments on their merits. Nevertheless, we are establishing policies here which affect the welfare of thousands upon thousands of faithful governmental employees. Just because the Senate is a little impatient and a little tired, it does not seem to me that its Members should overlook the cruel hardship which will fall upon those in the low-income groups.

Personally, I cannot see how any Senator could vote for a proposition to take a flat cut—and that is all that the President is permitted to make under this provision—out of those who are getting a thousand dollars a year or less. I care not whether the cost of living has fallen below the 1928 base or not; so far as those who are in these low-income groups are concerned, when we cut them we cut to the bone.

I ask Senators to consider what this situation means to the small income group employee of the Federal Government. Assume that the maximum cut is made: When we get down into those low incomes below $1,000, even with an adjustment made for the fall in the cost of living, the employees are now living upon a basis and a standard which all governmental agencies recognize is below the level of decency in the United States.

When we realize what their rents are, when we realize what this extra cut is going to mean, it seems to me that Senators would have more heart than to let the ax fall upon this group.

No matter how panicky we may be about the credit of the Government of the United States, certainly it is not in the situation where it must step into the homes of these faithful Government employees in the low-income groups and request of them a sacrifice which will fall not only upon the adults but upon the children in those families. If but a few short weeks ago we were ready to exempt this group from an 8½ percent cut, surely we will not have the hardness of heart to extract from them a contribution to the extent of 15 percent, which is the maximum permitted under this bill. How will we justify permitting such a cut to be made?

In this instance the question may not be raised that the cut lies within the discretion of the President of the United States, for under the law as written it does not do so. The President must find the percentage by which the cost of living has fallen below the 1928 base, and then, regardless of the income group of the Government employees, he must apply a flat cut.

Assume that he finds that the maximum reduction has occurred under the 1928 level. Assume that he applies a cut of 15 percent. Then we have placed ourselves in the position of providing a 15 percent cut for those who are drawing eight, nine, ten, or twelve thousand dollars, and we will go into the worn hands of the scrubberwomen and the charwomen and the janitors and take from them the same percentage of cut on their meager salaries.

Mr. President, I appeal to Senators to adopt this amendment. I know what will be said. Senators may rise and say that there are a large number of employees that are in this group, or they may rise and say that they are per diem employees who are not full-time, yearly employees. Nevertheless, if my memory serves me correctly, the fact remains that there are at least 30,000 persons in this group who are regular employees of the Federal Government. I see sitting behind me the former health commissioner of the city of New York, the present senior Senator from that State [Mr. COPELAND]. I know that the Senator will support me when I say that even with the reduction in the cost of living, granting what it may be, so far as a family on a basis of $1,000 per year is concerned, to take a 15 percent cut from that family means to endanger its food, its diet, its health, and the health not only of the adults but of the children in that group.

Mr. President, certainly the great Government of the United States has not yet reached the position of extremis where it must take from the children, the dependents of Government employees in these low-income groups, this tremendous cut to them.

Mr. BARKLEY. Mr. President, I merely desire to say a few words with reference to this amendment.

I appreciate fully the sincerity of the Senator from Wisconsin [Mr. LA FOLLETTE], and I sympathize with his position as a matter of principle, but in the great emergency which confronts the country I do not believe that we ought to refrain from applying some sacrifice to everybody who is fortunate enough to be on the pay rolls of the United States Government.

The 14,000,000 men who are now walking the streets without any work at all have not taken a 15 percent cut; they have taken a 100 percent cut. The millions of farmers throughout the United States who are today unable to find markets for their produce, who are appealing to Congress for some form of legislation to enable them to refinance their mortgages and save their homes, have not taken a 15 percent cut in their income. They have not taken a 15 percent cut in the depreciation of their property. They have taken a cut of all the way from 50 to 75 percent in the depreciation in the value of their property and in their annual income.

Until we have been able to do something for the 14,000,000 who are without work and without income, until we are able to do something for the 30,000,000 of our farmers who have no market today and no income, we ought not to segregate any class of Government employees and say that they shall not make their share of the sacrifice necessary to meet this great emergency. We ought not to create here any island of safety which cannot be approached by the President of the United States in the effort to balance the Budget and restore the credit of our country, and if the amendment of the Senator from Wisconsin is adopted we do establish an island of safety. We do set apart a group that are sacred and beyond reach of the Government in the processes by which this economy bill, it is hoped, will work out the salvation of our country from the standpoint of income and outgo, and restore the confidence of the people in the integrity and the credit of this Nation.

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

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

Mr. BARKLEY. I yield to the Senator.

Mr. TYDINGS. In line with what the Senator has just said, the Bureau of Agricultural Economics shows that the gross annual cash income per farm worker, of whom there are about 10,000,000, was about $1,100 in 1929, and slightly more than $600 in 1932—a decrease of practically 50 percent in the gross annual cash income of 10,000,000 farm workers.

Mr. BARKLEY. I thank the Senator for that suggestion, which confirms and emphasizes what I have just said.

Mr. GORE. Mr. President——

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

Mr. BARKLEY. I yield to the Senator.

Mr. GORE. The gross income of all the farmers in the United States in 1929 was 12 billions and a little more. Last year it was only a little more than 5 billions.

Mr. BARKLEY. Yes; I thank the Senator.

I have nothing further to say, except that the adoption of this amendment would reduce the economy about forty or fifty million dollars per annum.

Mr. DILL. Mr. President, why does the Senator say that? It was said that the total would be $60,000,000, and the Senator from Wisconsin has taken out everything except the civil employees, and there are only about one third of them that are civil employees.

Mr. BARKLEY. I do not know the proportion, of course.

Mr. DILL. I think the Senator's figures are wrong.

Mr. BARKLEY. I do not think so. I have gotten them after conference with the representatives of the Treasury. I do not know whether they are wrong or right. I am accepting them, though, as a fairly accurate estimate.

Mr. COPELAND. Mr. President, in view of the reference made to me a moment ago by the Senator from Wisconsin [Mr. LA FOLLETTE], I should feel conscience-stricken if I did not say a word regarding this amendment.

We have been extremely fortunate in the United States in that, in spite of our poverty and distress, the death rate has been very low and the sickness rate low. We must not be misled by these figures. Just as sure as fate, the conditions under which our people are living now will lead to tuberculosis and other wasting diseases.

It is not quite fair for our friends to compare income on the farm with income in the city. No matter how little money income there is on the farm—and I know, because I was born on a farm where there was not much income—there are eggs and butter and chickens to eat, and turnips and cabbages and other things; but in my city, when there is poverty and loss of earnings, there is nothing to eat but the sidewalks of New York.

These people who are getting a thousand dollars a year are largely citizens of cities. They are employed in the public buildings and in the establishments of government in the cities. A thousand dollars a year is about $2.75 a day; and to pay rent and maintain a family in a city on $2.75 a day is a reenactment of the miracle of the loaves and fishes.

I do not know how much the loss in our plan will be if we make the exemption proposed by the Senator from Wisconsin, but I do not believe we are justified, even in these times, in asking a family in the United States to live on $2.75 a day.

I realize that there are twelve or fourteen millions out of employment. My heart goes out to them; but in the bill which we have before us we have to deal, not with that great problem of unemployment but with the question of those who are employed by the United States Government.

Mr. President, I desire to add my plea to the eloquent words of the Senator from Wisconsin. I do not believe that we are justified, in decency or in love of humanity, in reducing the income of those employees who are working for us now at the rate of $1,000 per year.

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

Mr. COPELAND. I yield.

Mr. BARKLEY. Whatever decrease is brought about by proclamation of the President is to be based on precisely the increase in the cost of living below the figure of 1928. So that there will actually be no decrease as compared with 1928 in the case of any class of our Government employees. They can purchase as much with $850, assuming that the cost of living is found to have gone down 15 percent in 1933, as they could have purchased with $1,000 in 1928. So that there is actually no decrease, there is no deprivation compared with 1928.

Mr. President, that is not the situation with reference to the classes of laboring men and agriculturists whom I mentioned a while ago, and I think we cannot lose sight of the fact that whatever may be the decrease based upon a reduction in the cost of living, even if it should go to the entire 15 percent, which is the maximum decrease which can be brought about by the President, there is no actual decrease in the power to live comfortably and satisfactorily between 1928 and 1933, based simply upon a reduction in the cost of living.

Mr. GORE. Mr. President——

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

Mr. COPELAND. I yield.

Mr. GORE. I appreciate the characteristic humanity of the Senator from New York and the Senator from Wisconsin. I share the regret they express that the necessity has arisen which compels a reduction in the salaries of these low-paid Government employees. I regret these reductions, but I regard them as necessary, as imperiously necessary.

Mr. President, this reduction is based on the reduction in the cost of living. Purchasing power is the real test, and not nominal salary. Cost of living since 1929 has declined 15 percent or more; indeed, it has declined 22 percent. These employees are required to take a reduction of only 15 percent. Their purchasing power is not decreased as compared with the purchasing power which they had in 1929.

Let us see. Let us take a Government employee receiving a salary of a thousand dollars a year. Reduce that salary 15 percent, or $150. That saving to the taxpayers will save 5 bales of cotton in each and every instance where a reduction of $150 per year is effected. Every time we save $150 we save 5 bales of cotton.

Mr. President, it takes 500 bushels of wheat to pay that extra $150. It takes 1,500 bushels of corn to pay that extra $150, and the farmers have to pay the taxes to meet these salaries. They are losing their homes today, they are losing their farms today, because they cannot pay their State and their county taxes.

The average tax on the average farm in the United States is only a little more than $100 per annum. Every time we reduce one of these salaries we save perhaps a farm, we save a home, we save more than the annual tax on the average farm.

These employees have, as they ought to have, comfortable working quarters. They enjoy a life tenure. They enjoy retirement pay. Their positions are secure. They can ad-

just their expenditures to their income, knowing their income is secure.

The soldier who bled is taking a heavier loss than the civil-service employee. Shall we shield the civilian at the expense of the soldier? Shall we penalize the veteran with an unjust, with an invidious, discrimination?

Mr. President, for every Federal employee who resigns on account of this reduction, I would undertake to supply his place from Oklahoma alone with loyal, faithful, efficient men and women who would thank the God of their fathers for an opportunity to fill these vacancies and to enjoy these salaries.

Mr. COPELAND. Mr. President, I should feel extremely sorry for any citizen of Oklahoma to have to move to Oliver Street, New York, and try to live, with a family of five, on $850. There is no doubt in my mind that he would be ready to take the first express train back to Oklahoma if somebody would pay his fare. [Laughter and applause in the galleries.]

The VICE PRESIDENT. The occupants of the galleries will refrain from any demonstrations. Otherwise the Chair will have to enforce the rules of the Senate and clear the galleries.

Mr. GORE. Mr. President, any man who can go from New York to Oklahoma ought to go, anyway.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. I ask for the yeas and nays.

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

Mr. BARKLEY (when Mr. LOGAN's name was called). My colleague [Mr. LOGAN] is unavoidably absent. He is paired with the junior Senator from Pennsylvania [Mr. DAVIS]. I am authorized to say that if my colleague were present he would vote "nay."

Mr. OVERTON (when his name was called). On this question I am paired with the senior Senator from Virginia [Mr. GLASS], who is necessarily detained from the Senate. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. LEWIS. I rise to announce the absence of the senior Senator from Utah [Mr. KING] because of illness.

Mr. BULKLEY. Repeating the same announcement I made before with respect to my pair and its transfer, I vote "nay."

Mr. NEELY. I desire to announce that the senior Senator from Colorado [Mr. COSTIGAN] is absent on account of illness. I am authorized to state that if he were present, on this vote he would vote "yea."

Mr. HEBERT. I desire to announce the following general pairs:

The Senator from New Mexico [Mr. CUTTING] with the Senator from Massachusetts [Mr. COOLIDGE];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Minnesota [Mr. SCHALL] with the Senator from California [Mr. MCADOO].

I am not advised how any of these Senators would vote on this question if present and voting.

Mr. LEWIS. I desire to announce that the Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate.

I also desire to announce the following pairs on this question:

The Senator from Wyoming [Mr. KENDRICK] with the Senator from Minnesota [Mr. SHIPSTEAD], and

The Senator from Florida [Mr. FLETCHER] with the Senator from Colorado [Mr. COSTIGAN].

The result was announced—yeas 32, nays 42, as follows:

YEAS—32

Adams	Caraway	Frazier	Long
Bone	Copeland	Hatfield	McCarran
Borah	Couzens	Johnson	McGill
Bulow	Dill	La Follette	Murphy
Capper	Duffy	Lonergan	Neely
Nye	Russell	Thomas, Utah	Wagner
Patterson	Steiwer	Townsend	Walsh
Robinson, Ind.	Thomas, Okla.	Vandenberg	White

NAYS—42

Ashurst	Byrnes	Harrison	Reynolds
Austin	Clark	Hastings	Robinson, Ark.
Bachman	Connally	Hebert	Sheppard
Bailey	Dale	Kean	Smith
Bankhead	Dickinson	Keyes	Stephens
Barbour	Dieterich	Lewis	Trammell
Barkley	Fess	McKellar	Tydings
Bratton	George	McNary	Van Nuys
Brown	Goldsborough	Metcalf	Walcott
Bulkley	Gore	Pope	
Byrd	Hale	Reed	

NOT VOTING—20

Black	Davis	King	Overton
Carey	Fletcher	Logan	Pittman
Coolidge	Glass	McAdoo	Schall
Costigan	Hayden	Norbeck	Shipstead
Cutting	Kendrick	Norris	Wheeler

So Mr. LA FOLLETTE's amendment was rejected.

Mr. DILL. Mr. President, did the Senator from Wisconsin desire to offer another amendment?

Mr. LA FOLLETTE. If the Senator is about to offer an amendment to remedy the situation covered by section 6, I shall not offer my amendment.

Mr. DILL. Mr. President, I want to call attention to the fact that this section would exclude the employees of the Panama Canal and the employees outside of continental United States. I do not know what the intent of the framers of the measure was, but there is some doubt as to whether Alaska would be included or not. I think, undoubtedly, Alaska should be excluded from the operation as well as Panama. Anyone who knows anything about Alaska knows that the cost of living in Alaska is higher than in any other part of the United States anywhere. Therefore, I offer an amendment, in line 7, page 17, after the word "States," which I send to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 17, line 7, after the word "States," to insert the words "including Alaska."

Mr. HARRISON. Mr. President, we have no objection to the amendment.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent, following the adoption of this amendment, to have inserted in the RECORD a table given me by the Delegate from Alaska showing the comparative costs of staple articles of food in Seattle and Anchorage, Alaska, on January 3, 1933, which shows very graphically the necessity for the Senator's amendment.

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

Comparative statement of prices in Seattle and Anchorage, Jan. 3, 1933

	Unit	Seattle	Anchorage	Increase	Percent increase
Apples, fancy, 125's	Box	$1.00	$3.00	$2.00	200.0
Apricots, 2½'s	Can	.17	.30	.13	76.0
Asparagus tips, 1's square	do	.19	.40	.21	110.0
Apricots, evaporated	Pound	.10	.18	.08	80.0
Bananas	do	.07	.20	.13	185.7
Butter, 1-pound bricks, 60 pounds to box	do	.32	.42	.10	31.2
Bread, 16-ounce loaf	Loaf	.05	.10	.05	100.0
Blackberries, 6/10's	Can	.36	.90	.54	150.0
Cucumbers	Dozen	1.35	3.00	1.65	122.2
Carrots	Pound	.0085	.04	.0315	370.0
Cheese, American, 5-pound bricks	do	.16	.23	.07	43.7
Coffee:					
Maxwell House	do	.33	.45	.12	36.0
Crescent	do	.29	.45	.16	55.0
Cream, fresh	Pint	.15	.70	.55	366.0
Corn, Golden Bantam, 2's	Can	.13	.25	.12	92.3
Eggs, New York extras, 30 dozens to case	Case	9.00	14.00	5.00	55.5
Flour, hard wheat	Pound	.02	.055	.035	175.0
Grapefruit, fresh	Each	.02	.16	.14	700.0
Lard, leaf, 4-pound cans	Pound	.099	.15	.051	51.5
Loganberries, 6/10's	Can	.41	.90	.49	119.5
Lemons	Dozen	.30	.50	.20	66.6
Lettuce, head	do	.70	2.40	1.70	242.8
Milk, evaporated, Federal, 48/14½ ounces	Case	2.40	4.00	1.60	66.6
Oranges, Sunkist, 176's	do	3.25	8.00	4.75	146.1
Onions, dry	Pound	.0125	.06	.0475	380.0
Peppers, green	do	.075	.35	.275	366.6

Comparative statement of prices in Seattle and Anchorage, Jan. 3, 1933—Continued

	Unit	Seattle	Anchorage	Increase	Percent increase
Peaches, evaporated	Pound	$.115	$.20	$.085	73.9
Potatoes (outside)	do	.006	.042	.036	600.0
Baking powder, Calumet, 1-pound	do	.25	.33	.08	32.0
Sweetpotatoes	do	.03	.10	.07	233.0
Peas, sweet, Del Monte, 1-pound talls	Can	.10	.15	.05	50.0
Preserves, Tea Garden, 16 ounces	Each	.19	.40	.21	110.5
Pickles, dill (quarts)	Can	.13	.30	.17	130.0
Pineapple, sliced, 2's	do	.085	.25	.165	194.0
Peas, 2½'s	do	.19	.35	.16	84.0
Plums, 2½'s	do	.13	.30	.17	130.0
Peaches, yellow cling, 2½'s	do	.15	.30	.15	100.0
Pumpkin, 2½'s	do	.11	.25	.14	127.2
Rutabagas	Pound	.0085	.03	.0215	253.0
Sugar, granulated	do	.04	.09	.05	125.0
Squash	do	.01	.07	.06	600.0
Tomatoes, fresh	do	.05	.35	.30	600.0
Tea, black	do	.25	.90	.65	260.0
Tomato soup, Van Camp's	Can	.04	.125	.085	212.0
Tomatoes, 2½'s	do	.16	.25	.09	56.2

Average percent of increase, 185.76.

Mr. LA FOLLETTE. Mr. President, I should like to call the attention of the Senator from Mississippi to a situation, and I think that if he will confer with the legislative counsel, who is sitting with him, he might be willing to accept an amendment.

It is my reading of section 6, on page 17, that the intention was to preserve for the employees of the Panama Canal and the Panama Railroad Co. the same provisions which we had in the act of March 3, 1933, to be found in section 6, on page 29. However, in the manner in which this is drawn I am afraid it does not accomplish the purpose. I have consulted with the legislative counsel, and they have prepared an amendment which I now offer. I express the hope that the Senator from Mississippi may be willing to take the amendment to conference where there will be more time to consider it. I realize that in the present temper of the Senate there is no probability of getting the amendment adopted unless the Senator from Mississippi will accept it and take it to conference.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 16, strike out lines 20 to 21, inclusive, and insert:

(b) Sections 5 and 6 of the Treasury and Post Office Appropriation Act, fiscal year 1934, are hereby repealed.

Beginning on page 16, strike out line 22 through line 9 on page 17 and insert:

(c) Section 215 of the Legislative Appropriation Act, fiscal year 1933 (relating to the limitation on annual leave), is amended by striking out "*Provided further*, That nothing herein shall apply to civilian officers and employees of the Panama Canal located on the Isthmus and who are American citizens, or to officers and employees of the Foreign Services of the United States holding official stations outside the continental United States."

And inserting in lieu thereof:

"*Provided further*, That nothing herein shall apply to officers and employees of the Panama Canal and Panama Railroad Co. on the Isthmus of Panama, and to officers and employees of the United States (including enlisted personnel) holding official station outside the continental United States."

Mr. LA FOLLETTE. Mr. President, I desire to modify my amendment by incorporating the amendment offered by the Senator from Washington concerning Alaska because I am very much interested in that amendment also and should want to protect the situation there. I modify my amendment by adding, on page 2, line 11, after the words "United States," at the end of my amendment, the words "or in Alaska."

Mr. HARRISON. I have no objection to the amendment as modified.

The VICE PRESIDENT. The question is on agreeing to the amendment as modified.

The amendment was agreed to.

Mr. DILL. Mr. President, I do not desire to delay the Senate, but I want to explain my attitude regarding the bill. I have not previously discussed the bill. I want to say a few words regarding my own position.

I am opposed to the principle of granting dictatorial powers to the President when they are such powers as are here granted, but in this emergency I am compelled to override some of my own principles. The worst feature about the bill is the way in which it is drawn. Instead of proceeding to cut down the payments to veterans the writers of the bill have taken all of the pension laws of the United States and torn them into pieces and shreds. These laws are the product of years of careful work of legislators in both Houses. Having torn up all of these statutes, they have written certain restrictions upon the President, under which he is now to write new pension laws for the next 2 years. It is the most broad and most sweeping power I have ever known to be granted a Chief Executive. The injustices and the tragic results that are almost sure to follow cannot be imagined by this or any other legislative body.

I predict now that within a comparatively short time after this legislation goes into effect there will be Senators in this body and Members of the body at the other end of the Capitol clamoring for new legislation to correct the pitiful results that are sure to follow this legislation. Yet we are confronted with enacting this legislation or seeing the credit of the Government grow still weaker than it is now.

I have listened with intense interest to speeches of the Senator from Indiana [Mr. ROBINSON] and the arguments of the Senator from Michigan [Mr. COUZENS] as to the credit of the Government, and I say now after listening to all they have said that they have not been able to prove their contention; namely, that the money which was borrowed today could have been gotten at any such rates as those they said should have been paid.

The last illustration we had was on March 3, when we followed the plan which the Senator from Michigan [Mr. COUZENS] advocated we should have followed; namely, securing bids. The banks were still open then, and yet when those bids were made we paid 4.26 percent for the loan of only $75,000,000 for 90 days. That was 34 times the rate we paid for money only a few months before. Therefore I say that the Treasury Department was in a position where it must offer this high rate of interest. The fact that we had to do it shows that we are fast approaching the place where the Treasury will not be able to borrow money except at usurious rates to pay anybody any pension or to pay anybody any salaries because of the rapidly increasing deficit.

In the face of such a situation I can not bring myself to place my own personal desires or my own personal ideas or the interests even of the veterans and the employees against the interest of the millions of my countrymen who look to the Government for the credit and financial stability they have a right to expect from it.

We have improved the bill by some amendments. I intend to vote for it. I am going to vote for it because I believe it is the only thing to do in this emergency. The country has confidence in the new President, Mr. Roosevelt. I have confidence in him. I want to show that confidence by voting as I shall, but I cannot refrain from calling attention to the fact that in this bill we have again treated the soldier, the ex-service man, as he is always treated.

When a man enlists in the army of his country, his life becomes a pawn in the hands of his superiors. If they say "Go here" or "Go there", and that means death, go he must. If he comes back alive, he may thank the stars or the gods for his safety. He has no hope except the hope that a kind fate somehow will save him. So, in this emergency, when we must take radical action and the service man must suffer, let me call attention to how we treat him in this bill as compared with the civil employees who must suffer. We tear up the pension laws. We say to the President, "Write the pension system under certain regulations as you see fit." But when we come to the civil employees, we do not tear up the salary list, we do not tear up all the salary laws of the country and allow the President to determine how much everybody shall get in the way of salary. We say, "We will cut a certain percentage off all salaries."

That is the difference. The soldier is again the pawn in the situation. Fate finds him again caught as he was in war, and he will be the victim in many cases of injustices that will amount to tragedies in the lives of himself and his family.

But it is the way we have chosen to carry on in this situation. We cannot step backward at this time. We must go forward. To defeat the bill now would be a crushing blow to the hope and confidence of the American people who are following the new President and looking forward to better days and better times. He is the leader. We must all follow him. Since this bill will last only for 2 years, for my part, I am going to resolve all the doubts and all the fears I have in favor of voting for this legislation and hope that all the people of this country, including the veterans and the low-paid employees, will in the end find it better than we thought it could possibly be.

Mr. ASHURST. Mr. President, this will go down into history as an historic debate. The proponents of the bill and the opponents of the bill have covered all the points to be made. I believe, and I do not think I am mistaken, that the debate is one so elevated in tone that it would compare favorably with the debates of Pitt, Burke, Charles J. Fox, John Philpot Curran, and Gladstone. If any Senator should ever be assailed for voting for the bill, his reply, his conclusive reply to his assailant and to his inquirer will be to read the speeches of the junior Senator from West Virginia [Mr. NEELY] and the senior Senator from Washington [Mr. DILL]. Their arguments in support of the bill are all-conclusive and all-persuasive.

Mr. WALSH. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. The Senator from Massachusetts offers the following amendment: On page 10, line 12, after the word "commenced," strike out the period, insert a colon and the following:

Provided further, That, subject to such regulations as the President may prescribe, allowances may be granted for burial and funeral expenses and transportation of the bodies (including preparation of the bodies) of deceased veterans of any war to the places of burial thereof in the sum not to exceed $107 in any one case.

Mr. HARRISON. Mr. President, there is no objection to the amendment on the part of the committee.

Mr. WALSH. I think it ought to appear in the RECORD that in the repealing of the present law that provision in the present law is repealed, and unless the amendment is adopted that benefit to the veterans would be exterminated.

The VICE PRESIDENT. Without objection the amendment of the Senator from Massachusetts is agreed to.

Mr. WALSH. Mr. President, I now offer another amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 10, after line 25, insert the following new section:

SEC. 20. The President shall transmit to the Congress as soon as practicable after the date of their issue, copies of all regulations issued pursuant to this title.

Mr. WALSH. The purpose of the amendment is merely to keep Congress informed of the regulations promulgated and adopted by the President.

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. BORAH. Mr. President, there are several reasons why I shall vote against the bill, but I want to ask permission to insert in the CONGRESSIONAL RECORD the paragraphs which I have marked in the case of *Ex parte Milligan*, Fourth Wallace, page 120, as another predominating and controlling reason why I shall vote against the bill.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter is as follows:

Time has proven the discernment of our ancestors; for even these provisions, expressed in such plain English words that it would seem the ingenuity of man could not evade them, are now after the lapse of more than 70 years sought to be avoided. Those great and good men foresaw that troublous times would arise when rules and people would become restive under restraint and seek by sharp and decisive measures to accomplish ends deemed just and proper, and that the principles of constitutional liberty would be in peril unless established by irrepealable law. The history of the world had taught them that what was done in the past might be attempted in the future. The Constitution of the United States is a law for rulers and people, equally in war and in peace, and covers with the shield of the protection all classes of men at all times and under all circumstances. No doctrine involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can be suspended during any of the great exigencies of government. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false, for the Government, within the Constitution, has all the powers granted to it which are necessary to preserve its existence, as has been happily proved by the result of the great effort to throw off its just authority.

The VICE PRESIDENT. The bill is still open to amendment. If there are no further amendments the question is, Shall the amendments be engrossed and the bill read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. BORAH. Let us have the yeas and nays.

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

Mr. BULKLEY (when his name was called). Repeating the same announcement as before with respect to my pair, I vote "yea."

Mr. WALSH (when Mr. COOLIDGE's name was called). My colleague the junior Senator from Massachusetts [Mr. COOLIDGE] is absent from the Senate owing to a death in his family. He is paired on this question with the Senator from New Mexico [Mr. CUTTING]. If my colleague [Mr. COOLIDGE] were present, he would vote "yea." If the Senator from New Mexico [Mr. CUTTING] were present, he would vote "nay."

Mr. ROBINSON of Arkansas (when the name of Mr. GLASS was called). The Senator from Virginia [Mr. GLASS] is absent because of illness. He is paired with the junior Senator from Louisiana [Mr. OVERTON]. If the Senator from Virginia were present, he would vote "yea."

Mr. LA FOLLETTE (when his name was called). On the vote on the final passage of the bill I am paired with the junior Senator from California [Mr. MCADOO], who is unavoidably absent. If the junior Senator from California were present, he would vote "yea"; and if I were at liberty to vote, I should vote "nay."

Mr. BARKLEY (when Mr. LOGAN's name was called). Repeating the announcement which I have heretofore made concerning my colleague [Mr. LOGAN], who is unavoidably absent and who is paired with the junior Senator from Pennsylvania [Mr. DAVIS], I am authorized to say that if my colleague were present, he would vote "yea."

Mr. OVERTON (when his name was called). As stated by the senior Senator from Arkansas [Mr. ROBINSON], I am paired with the senior Senator from Virginia [Mr. GLASS]. If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. LEWIS. Having made the announcement previously accounting for the absence of certain Senators, I ask that that announcement may stand for this roll call; and I wish particularly to announce that the Senator from Colorado [Mr. COSTIGAN] and the Senator from Utah [Mr. KING] are detained from the Senate by illness. I am authorized to say that if the Senator from Utah and the Senator from Colorado were present, they would vote "yea."

I also desire to announce that the Senator from Florida [Mr. FLETCHER] is paired with the Senator from Montana [Mr. WHEELER]. I am informed that if the Senator from Florida were present, he would vote "yea", and the Senator from Montana [Mr. WHEELER] would vote "nay."

Mr. HAYDEN. I withhold my vote.

Mr. ROBINSON of Arkansas. I wish to announce that the Senator from Wyoming [Mr. KENDRICK] is necessarily absent. If he were present, he would vote "yea."

Mr. HEBERT. I wish to announce the necessary absence of the senior Senator from Minnesota [Mr. SHIPSTEAD] and the junior Senator from Minnesota [Mr. SCHALL].

I also desire to announce that the Senator from Wyoming [Mr. CAREY] and the Senator from Nebraska [Mr. NORRIS] are absent in attendance on the funeral of the late Senator Howell, of Nebraska.

I further wish to announce that the Senator from Minnesota [Mr. SHIPSTEAD] has a general pair with the Senator from Wyoming [Mr. KENDRICK]. I am not informed how these Senators would vote on this question.

Mr. REED. Mr. President, I wish to announce that my colleague [Mr. DAVIS] is absent because of illness.

The result was announced—yeas 62, nays 13—as follows:

YEAS—62

Adams	Capper	Johnson	Sheppard
Ashurst	Caraway	Kean	Smith
Austin	Connally	Keyes	Stephens
Bachman	Copeland	Lewis	Thomas, Okla.
Bailey	Dale	Lonergan	Thomas, Utah
Bankhead	Dieterich	McKellar	Townsend
Barbour	Dill	McNary	Trammell
Barkley	Duffy	Metcalf	Tydings
Black	Fess	Murphy	Vandenberg
Bone	George	Neely	Van Nuys
Bratton	Goldsborough	Pittman	Wagner
Brown	Gore	Pope	Walcott
Bulkley	Hale	Reed	Walsh
Bulow	Harrison	Reynolds	White
Byrd	Hastings	Robinson, Ark.	
Byrnes	Hebert	Russell	

NAYS—13

Borah	Frazier	McCarran	Patterson
Clark	Hatfield	McGill	Robinson, Ind.
Couzens	Long	Nye	Steiwer
Dickinson			

NOT VOTING—19

Carey	Fletcher	La Follette	Overton
Coolidge	Glass	Logan	Schall
Costigan	Hayden	McAdoo	Shipstead
Cutting	Kendrick	Norbeck	Wheeler
Davis	King	Norris	

So the bill was passed.

The VICE PRESIDENT. Without objection, the bill (S. 233) to maintain the credit of the United States Government will be indefinitely postponed.

Mr. HARRISON. I ask unanimous consent to have the bill just passed printed with the Senate amendments numbered.

The VICE PRESIDENT. Without objection, that order will be made.

LEGALIZATION OF BEER

Mr. HARRISON. Mr. President, I desire to give notice that tomorrow after the Senate shall convene, following the recess which I understand is shortly to be taken, I shall move to take up House bill 3341, commonly known as the "beer bill."

REFERENCE OF EXECUTIVE MESSAGES

Mr. ROBINSON of Arkansas. I ask unanimous consent for the present consideration of the order which I send to the Secretary's desk. It is identical with an order entered during the last session of Congress. I have submitted it to the Senator from Oregon [Mr. MCNARY], and he approves it.

The VICE PRESIDENT. The clerk will report the order submitted by the Senator from Arkansas.

The Chief Clerk read as follows:

Ordered, by unanimous consent, That on calendar days of the present session of the Congress when no executive session is held, nominations or treaties received from the President of the United States may, where no objection is interposed, be referred, as in executive session, to the appropriate committees by the Presiding Officer of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order is entered.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting the nomination of Henry Latrobe Roosevelt, of New York, to be Assistant Secretary of the Navy, and several other nominations.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the executive nominations laid before the Senate be referred to the respective committees.

The VICE PRESIDENT. Is there objection? The Chair hears none, and, as in executive session, the nominations will be referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

SUBSCRIPTION TO NOTES OR DEBENTURES OF STATE BANKS

Mr. ROBINSON of Arkansas obtained the floor.

Mr. BULKLEY. Mr. President, will the Senator yield to me to permit me to make a request for unanimous consent?

Mr. ROBINSON of Arkansas. I yield to the Senator from Ohio.

Mr. BULKLEY. I ask unanimous consent for the present consideration of a bill of some urgency, but I think entirely noncontroversial. I refer to Senate bill 334.

The VICE PRESIDENT. The Senator from Ohio asks unanimous consent for the immediate consideration of a bill the title of which will be stated.

The CHIEF CLERK. A bill (S. 334) to amend the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933.

Mr. COUZENS. Mr. President, I desire to have the bill read before giving my consent.

The VICE PRESIDENT. The clerk will read the bill.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That section 304 of the act entitled "An act to provide relief in the existing national emergency in banking, and for other purposes," approved March 9, 1933, is amended by adding after the first sentence thereof the following new sentences: "Nothing in this section shall be construed to authorize the Reconstruction Finance Corporation to subscribe for preferred stock in any State bank or trust company if under the laws of the State in which such State bank or trust company is located the holders of such preferred stock are not exempt from double liability. In any case in which under the laws of the State in which it is located a State bank or trust company is not permitted to issue preferred stock exempt from double liability, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such State bank or trust company, having voting rights similar to those herein provided with respect to preferred stock."

SEC. 2. The second sentence of said section 304 is amended to read as follows: "The Reconstruction Finance Corporation may, with the approval of the Secretary of the Treasury, and under such rules and regulations as he may prescribe, sell in the open market the whole or any part of the preferred stock, capital notes, or debentures of any national banking association, State bank or trust company acquired by the corporation pursuant to this section."

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MCNARY. Mr. President, I think it would be highly improper at this late hour to consider a measure so important, and under the circumstances I shall object.

Mr. BULKLEY. Mr. President, will the Senator withhold his objection for a moment?

Mr. MCNARY. I withhold it.

Mr. BULKLEY. Mr. President, this bill has been requested by the Governors of several States. It is not a complicated matter; it merely provides that, in lieu of the preferred stock which the emergency banking law, recently passed, authorized the Reconstruction Finance Corporation to buy from State banks and trust companies, that corporation may buy capital notes or debentures. It is a very simple proposition. The bill has been unanimously reported from the Committee on Banking and Currency.

Mr. MCNARY. That may be so, and I desire to be accommodating, but, on account of its importance and the lateness of the hour, I must insist on my objection.

The VICE PRESIDENT. Objection is made.

Mr. BULKLEY. I ask unanimous consent that Senate bill 334 may be considered at the conclusion of the routine business tomorrow.

The VICE PRESIDENT. The Senator from Arkansas has the floor.

Mr. COPELAND. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from New York.

Mr. COPELAND. In connection with the discussion of the measure referred to by the Senator from Ohio, I ask unanimous consent to have a telegram from Governor Lehman, of my State, printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The telegram referred to is as follows:

NEW YORK, N.Y., *March 14, 1933.*

Hon. ROYAL S. COPELAND,
United States Senate Chamber:

New York State banks and trust companies, both member and nonmember, are prohibited by State constitution from issuing stock, preferred or common, without double liability. Other States have similar restrictions. These institutions would therefore be denied benefits of section 304 of the Bank Relief Act if the language of this section refers to nonassessable stock only. Is it not possible to have this doubt removed by including in Senator ROBINSON's proposed amendment to the act a provision authorizing the Reconstruction Finance Corporation to buy or loan against debentures or other obligations subordinate to deposit liability, which obligations shall have a position at least equal to that of preferred stock? Please wire reply.

HERBERT H. LEHMAN, *Governor.*

Mr. BULKLEY. Mr. President——

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

Mr. ROBINSON of Arkansas. I yield.

Mr. BULKLEY. I renew my request for unanimous consent that Senate bill 334 be considered at the conclusion of the routine business tomorrow morning.

Mr. ROBINSON of Arkansas. I will say to the Senator from Ohio that it is my purpose to make a motion to recess. In all probability, however, the bill to which the Senator refers may be taken up in the morning by unanimous consent.

Mr. BULKLEY. Then, may we have unanimous consent for that purpose now?

Mr. ROBINSON of Arkansas. I do not object.

Mr. McNARY. Mr. President, some Members of the Senate desire to look into this measure, and at this time I cannot consent and I shall object to any unanimous-consent request that may be made in connection with the consideration of the bill.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Ohio that he present his request in the morning.

Mr. BULKLEY. Very well.

Mr. LONG. We can make it a special order tomorrow, anyway; can we not? What is on the calendar tomorrow?

Mr. ROBINSON of Arkansas. The Senator from Mississippi [Mr. HARRISON] has announced that he will move to take up the beer bill tomorrow morning.

Mr. LONG. We might get him to hold off for a minute or two.

Mr. ROBINSON of Arkansas. I think there will be no difficulty about the bill when the Senator from Oregon [Mr. McNARY] shall have had an opportunity to study it.

PAYMENT OF CONGRESSIONAL EXPENSES

Mr. BORAH. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, on day before yesterday I entered a motion to reconsider the vote by which the Senate passed House Joint Resolution No. 75, providing for the payment of certain expenses of Members of Congress, including mileage. I did so, of course, in order to get the view of the Senate upon that question in connection with an amendment which I intended to propose. As the Senate has today disposed of that matter, I see no reason for longer retaining the joint resolution on the Vice President's desk, and I therefore withdraw my notice.

MERGER OF THE GEORGETOWN GASLIGHT CO. WITH WASHINGTON GAS LIGHT CO.

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Public Utilities Commission of the District of Columbia, forwarding a draft of proposed legislation to authorize a merger of the Georgetown Gaslight Co. with and into the Washington Gas Light Co., and for other purposes, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

EMPLOYEES OF FEDERAL FARM LOAN BOARD, FEDERAL LAND BANKS, ETC. (S.DOC. NO. 5)

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Farm Loan Board, submitting, in accordance with the terms of Senate Resolution 358 (72d Cong., 2d sess.), a statement showing the number and aggregate salaries of employees of the Federal Farm Loan Board, the Federal land banks, the Federal intermediate-credit banks, and joint-stock land banks, which, with the accompanying statement, was ordered to lie on the table and to be printed.

FUNCTIONS OF UNITED STATES BOARD OF MEDIATION (S.DOC. NO. 6)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the United States Board of Mediation, transmitting, in response to Senate resolution 351 (72d Cong., 2d sess.), a report covering the functions of the board and the annual cost thereof, which, with the accompanying papers, was ordered to lie on the table and to be printed, with an illustration.

PETITIONS AND MEMORIALS

Mr. ROBINSON of Arkansas presented a letter and telegrams in the nature of petitions from John L. Ingram, of Stuttgart, the Chamber of Commerce of Russellville, and the Fort Smith Automotive Supply Co., by M. L. Yantis, of Fort Smith, all in the State of Arkansas, praying for the guaranty of bank deposits by the Government, which were referred to the Committee on Banking and Currency.

Mr. PITTMAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Finance:

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 14, introduced by Senator Marsh, February 15, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office in Carson City, Nev., this 6th day of March A.D. 1933.

[SEAL] W. G. GREATHOUSE,
Secretary of State.

Senate joint resolution memorializing Congress to pass the so-called "Wheeler bill", providing for the coinage of silver at the ratio of 16 to 1

Whereas there is now pending before Congress an act introduced by Senator WHEELER, of Montana, providing for the coinage of silver at the ratio of 16 to 1; and

Whereas the silver industry is of vital importance to the people of the State of Nevada; and

Whereas it is the belief of the people of this State that the enactment of the said measure will restore prosperity to our State in a greater degree than any other measure or plan before Congress: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of Nevada, That Congress be urged to enact the so-called "Wheeler bill" into law; and be it further

Resolved, That the secretary of state transmit certified copies of this resolution to the President of the Senate, the Speaker of the House of Representatives, and to our Senators and Representatives in Congress.

MORLEY GRISWOLD,
President of Senate.
V. R. MERIALDO,
Secretary of Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:10 a.m.

F. B. BALZAR, *Governor.*

Mr. PITTMAN also presented the following joint resolutions of the Legislature of the State of Nevada, which were referred to the Committee on Banking and Currency:

Senate joint resolution memorializing Congress to adopt the Pittman proposal to accept silver on British debt

Your memorialist, the Legislature of the State of Nevada, respectfully represents that—

Whereas the proposal of the Hon. KEY PITTMAN, United States Senator from Nevada, that the United States shall accept the sum of $100,000,000 on the war debt of Great Britain to the United States, embodies the principle that coined silver is money; and

Whereas adoption of the Pittman proposal in the international transaction that he advocates would constitute recognition of silver as money by the two premier financial nations of the earth, and for that reason would go a long way toward its further and more general recognition as such, having the desirable effect of enhancing the value of silver everywhere, with the further and more desirable effect of being the forerunner of similar transactions with other debtor nations, all of which cannot be otherwise than beneficial, tending to restore monetary equilibrium and banish the world depression: Now, therefore, be it

Resolved, That the legislature hereby respectfully requests Congress to adopt the Pittman proposal authorizing and directing our President-elect to accept such silver payment from Great Britain as soon after he takes office as may be expedient and possible.

Resolved, That the secretary of state of the State of Nevada is hereby directed to transmit copies of this memorial by air mail to the President of the United States Senate, to the Speaker of the House of Representatives, and to the Members of the Nevada congressional delegation at Washington.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 8:54 a.m.

F. B. BALZAR, *Governor.*

Senate joint resolution memorializing the Congress of the United States to speedily rehabilitate silver and petitioning the President-elect to call an international conference on the subject.

The restoration of silver to its natural parity ratio of 16 to 1, based on the ratio of world production of silver and gold, appears to be essential to sound and necessary expansion of the basic currency of the world. Such restoration appears to be the most feasible plan to increase the purchasing power of more than half of the population of the world, enabling them to buy products of the United States and other gold-standard nations. Such restoration appears to be a requisite in order to increase our export trade and the sale of our surplus production, now depressing our domestic market below the actual cost of production. No plan as yet presented would do more toward restoring the economic stability of the world than the realization of the facts: That silver is not even as much a commodity as is gold; that four fifths of the silver now being produced, and that ever has been produced, has been used for monetary purposes, while only half of the gold ever produced has been so used; that laws did not make money of either gold or silver; they were money long before any monetary laws were ever enacted; that since the beginning of time there has not been produced throughout the world on the average more than 15 ounces of silver to 1 ounce of gold, and that in 1932 there were actually less than 13 ounces of silver produced to each 1 ounce of gold; that monetary laws alone have artificially decreased the demand for silver through restricting its use as money, thus decreasing its relative value, and we must therefore now remove or neutralize these artificial restrictions before we may hope to restore the natural laws of supply and demand. Nevada, therefore, favors any and all legislation, whether national or international, tending to effect the rehabilitation of silver, but is informed and believes that the only bill introduced in the Senate and the House of Representatives during the last two sessions of Congress which has received a favorable report from any committee is that introduced by Senator PITTMAN for the purchase of American-produced silver, with silver certificates, and this, in all probability, is the extent of legislation that could be enacted at the present session of Congress. And while some might be inclined to take nothing less than what they think is right, others are inclined to compromise upon the best they can get if it be a really forward step, particularly so when faced by an emergency which demands prompt alleviation.

The Silver State therefore submits that said Pittman bill is a step in the right direction; will tend to offset the unnatural supply of silver now derived from the melting of Indian silver coins and, at least to that extent, will tend to restore the market for silver to the normal mine production and the normal world demand; whereupon, at subsequent sessions of Congress, when conditions may be more favorable for silver legislation, we may hope for amendment of the Pittman bill to enlarge its scope and effect. In 1897 Nevada vigorously supported the Federal act (29 Stat. 624) authorizing the President of the United States to appoint five or more commissioners to attend any international conference called by the United States or any other country with a view to securing by international agreement a fixity of relative value between gold and silver as money, by means of a common ratio between these metals with free mintage at such ratio; and appropriating $100,000 for the expenses of any such conference. That act is still in full force and effect, but the conference has never yet been called, even though the Senate of the United States, in adopting the Pittman resolution, specifically requested the President to do so. The silver State therefore respectfully urges and petitions the President elect to call an international silver conference to be held in the United States at the earliest practical date.

Resolved therefore by the Senate and the Assembly of the State of Nevada, That we memorialize the present Congress of the United States to enact the Pittman bill (S. 3606), and respectfully petition the President-elect of the United States to promptly call an international conference to rehabilitate silver.

Resolved further, That copies of this resolution be transmitted forthwith by the secretary of state of Nevada to the President of the United States Senate, to the Speaker of the House of Representatives, to the chairman of the House Committee on Banking and Currency, to our Senators and our Representative in Congress, and a copy under the great seal of the State of Nevada to the President elect of the United States.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:03 a.m.

F. B. BALZAR, *Governor.*

HEARINGS BEFORE THE COMMITTEE ON FOREIGN RELATIONS

Mr. PITTMAN submitted the following resolution (S.Res. 30), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Foreign Relations, or any subcommittee thereof, be, and hereby is, authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 9 o'clock and 27 minutes p.m.) the Senate took a recess until tomorrow, Thursday, March 16, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 15 (legislative day of Mar. 13), 1933

ASSISTANT SECRETARY OF THE NAVY

Henry Latrobe Roosevelt, of New York, to be Assistant Secretary of the Navy.

MEMBERS OF THE UNITED STATES SHIPPING BOARD

The following-named persons to be members of the United States Shipping Board for the terms indicated, as follows:

Hutch I. Cone, of Florida, for the term of 3 years from June 30, 1932.

Gatewood S. Lincoln, of California, for the term of 2 years from June 30, 1932.

David W. Todd, of New York, for the term of 1 year from June 30, 1932.

PROMOTIONS IN THE NAVY

Medical Director Perceval S. Rossiter to be Surgeon General and Chief of the Bureau of Medicine and Surgery in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

Naval Constructor Emory S. Land to be Chief Constructor and Chief of the Bureau of Construction and Repair in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 15, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D. offered the following prayer:

Thou who art Lord of lords and King of kings, from the rising of the sun even to the going down of the same, Thou art the world's eternal light, making righteousness, mercy, and meekness the true religious service. Though Thy ways are infinitely higher than our ways and Thy thoughts than our thoughts, yet they mock fate. They whisper of love underlying all law and infolding all life. We thank Thee, Father, that our times are in Thy hand. O let our daily goal be the pure heart of truth, to which the angels of God bend down and listen. In the name of our blessed Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

PUBLICITY OF LOANS OF RECONSTRUCTION FINANCE CORPORATION

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that I may be privileged to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. Mr. Speaker, there appeared in the Evening Star of yesterday a statement by a man occupying a very important position in the affairs of the Government, a statement which I regard as slanderous with reference to the conduct of this House, with reference to the conduct of the Senate, with reference to the conduct of the President of the United States, who approved certain legislation which this man to whom I refer spoke of in public print as "the most damnable and vicious thing that was ever done."

I am quoting now from the Evening Star an interview under authority of the Associated Press with one Atlee Pomerene, who for many months has been chairman of the Reconstruction Finance Corporation, and he was referring to the publicity ordered by this House of the doings, loans, and commitments made by this corporation.

Mr. RICH. Will the gentleman yield?

Mr. HOWARD. I yield.

Mr. RICH. Does the gentleman think that the editorial remarks were about correct?

Mr. HOWARD. Well, if the gentleman wants to smear his own conduct, I have no objection.

Mr. RICH. I think the gentleman was about right.

Mr. HOWARD. The gentleman thinks it was all right for one to go outside, and particularly an officer of this Government, and pronounce as damnable and unclean the action by this House, the action by the Senate, and the approving hand of the President of the United States—he applauds this man in pronouncing this as damnable, does he?

Mr. RICH. The gentleman may have used some other words, but in the main he wanted to convey the idea that it was very poor legislation. I think that is what the gentleman intended to convey by his statement. I do not know who the gentleman is; but if that is what he wanted to convey, I think he was using language that would convey the ideas of a good many of the Congressmen.

Mr. HOWARD. Mr. Speaker, this legislation giving publicity to the affairs of the Reconstruction Finance Corporation originated with the former Speaker of this House, John Garner. He fought for it for a long while. I am taking it for granted that our present Speaker, who was at that time our majority leader, was at his elbow in this fight. Now, I do not know how my colleagues feel about it, but to have a man connected officially with a Federal organization created by this House denouncing legislation enacted by the House as "damnable and vicious", I think it is about time for this House, or for me at least, to have something to say on the subject.

Mr. McFARLANE. Will the gentleman yield for a question?

Mr. HOWARD. I yield.

Mr. McFARLANE. It is a fact, is it not, that the gentleman who made that statement, as former chairman of the Reconstruction Finance Corporation, was not confirmed by the Senate, and that one of the largest loans made while he was chairman was to one of the banks of his own city in which he was materially interested and in which he was a stockholder and director?

Mr. HOWARD. I think there is no question about that statement, but that is one of the smallest of his errors committed officially. [Laughter.]

Now, who is this man Atlee Pomerene who impeaches the integrity of the House of Representatives? I never met the gentleman in my life. I presume my friend on the left [Mr. RICH], who apologizes so sweetly for him, will tell us somewhat about him, but I do not know him. I know I never met him. I know it is true, if the same source which reports this statement is correct, the reference made by the gentleman on my right [Mr. McFARLANE] to the action of this man Pomerene with reference to loans made to a bank in which he was interested, must be true, because the Associated Press carried a statement to that equivalent.

Now, I do not want to deal overharshly with Atlee Pomerene. I admit that he won praise in prosecuting the Teapot Dome crooks. His apologists say he did well in that prosecution. Why not? In all America there is no lawyer, however provincial, who could not have done well in that case, the groundwork for which had been prepared by the greatest prosecutor of crooks that the United States has ever known—Senator Thomas Walsh, of Montana. [Applause.]

Mr. RICH. Will the gentleman yield?

Mr. HOWARD. Certainly.

Mr. RICH. I have letters from bankers in my district who claim that the advertising or the publicity given by the Reconstruction Finance Corporation to loans made to the banks was one of the things that was detrimental to the banks and led to the closing of banks more than any other one thing. I think if we are wise here in the House of Representatives, we will repeal that provision and prohibit the advertising of these loans. I think there is nothing today that is doing more injury to the banking system than the publicity given to loans granted by the Reconstruction Finance Corporation.

I understand that a Democrat in the Senate has proposed a bill prohibiting it in the future, and I hope we will have enough Democratic votes to pass it when it comes over.

Mr. HOWARD. I yielded to the gentleman from Pennsylvania, and now will he yield to me?

Mr. RICH. Certainly.

Mr. HOWARD. Will the gentleman please tell me where he got the information about the publication of the loans to banks injuring the banks?

Mr. RICH. If the gentleman will come to my office he can read the letters.

Mr. HOWARD. Oh, the gentleman can tell us; I will take his word for it.

Mr. RICH. It will only do more injury to the banks who received the loans, and I do not want to injure them any more than they have been already injured. I want to help the country out of the dilemma it is in.

Mr. HOWARD. There is a broad distinction and line of demarcation between men who think as the gentleman does and my own thought. I cannot believe that in any time or place there is any justification in this republican form of government for secrecy. I cannot believe it, and I hope the gentleman of whom he speaks will have the temerity to send that legislation over here and put it to a test in this House and see whether a majority of the Members of this House believe as the gentleman does, and whom I regard as in a very limited minority, as far as that question is concerned.

Mr. LOZIER. Will the gentleman yield?

Mr. HOWARD. I will.

Mr. LOZIER. Is it not true that the revelation of the National City Bank and Mitchell transactions went a long way toward destroying the last vestige of confidence of the American people in our big city banks; that the banks

themselves materially contributed to the present financial and banking debacle and are largely responsible for the present unprecedented economic chaos; that the big city banks have exploited and plundered the American people, and sold worthless securities to small banks and depositors all over the country; that they persuaded small banks and small investors to exchange their Government bonds for stocks and bonds of overcapitalized corporations and blue-sky companies; that they are responsible for the maladministration of our banking and financial affairs. Undeniably the great masters of finance have made a miserable mess of our fiscal system and financial affairs, and the sooner we clean house the better it will be for the Nation. [Applause.]

[Here the gavel fell.]

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOWARD. Certainly, that is true. The statement made by the gentleman from Missouri is true, and I should like to say for the special edification of my friend from Pennsylvania [Mr. RICH], that Mitchell could not possibly have carried on his peculiar conduct in New York if it had been published and not carried on under cover.

Now, Mr. Speaker, I want to get back a little bit to the individual, not with reference to myself.

I take these words spoken by Mr. Pomerene as a practical challenge to the integrity of a wonderful friend of mine, a wonderful friend of my every colleague who served in recent years in this House—John Garner, at this time Vice President of the United States.

If Atlee Pomerene states the truth when he says this legislation is damnable and vicious, then he practically charges John Garner with doing a damnable and vicious thing, and I resent it.

I almost wish John Garner were not occupying that exalted second post of honor in all the world, where his tongue is tied by the silence cords of precedent, because if he were free from those silence cords what a joy it would be to see and hear him, figuratively, remove the Pomerene hide, nail it on the barn door, and throw his own best assortment of verbal brickbats at it.

But my own tongue is not tied by any cord which will forbid my defense of a friend. John Garner is my friend. His life has been one splendid sermon in advocacy of true friendship. When halting at two pathways plain, not knowing which is best to take, he loses thought of self and selfish gain, and makes a choice for friendship's sake. And always John Garner's life sermons close with an exhortation, in effect: True friends are God's best gifts to earth; true friendships are the priceless boon. Let's strive to prize them at their worth, nor lose them from our lives too soon.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. RICH. Is not Mr. Pomerene considered one of the staunch Democrats of the country, and should he not be sound in his reasoning?

Mr. HOWARD. A Democrat? I think my best reply to that would be that he was one of the best-loved Democrats in all the world—by Herbert Hoover. [Laughter.]

Mr. SHALLENBERGER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. SHALLENBERGER. The gentleman well knows, and every man who is informed on banking knows, that the Government requires that every bank shall publish in its statement the total amount of money it borrowed. So the gentleman simply asked that there should be publication in the newspaper of what every bank is required to publish when it makes its statement, and if it does not include the amount of money borrowed in its statement, it is subject to fine and imprisonment.

Mr. HOWARD. Yes; and subject to loss of its charter.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. LOZIER. Answering the question of the gentleman from Pennsylvania [Mr. RICH], is it not true that in the great State of Ohio Mr. Pomerene is regarded as an outstanding disciple of the stand-pat or reactionary school of political thought and political philosophy?

Mr. HOWARD. Oh, I think it is quite true that he is generally recognized as the kingfish of that school.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. TRUAX. Is it not a fact that the depositors in banks for the past 12 months have also been under terrific stress? Is it not a fact that every piece of banking legislation enacted in the States and the Nation has been for the benefit of the bankers and not for the benefit of the depositors? Is it not a fact that it is now time that legislation be enacted for the benefit of those who place their money in deposit with the banks?

Mr. HOWARD. I reply in the affirmative with reference to the gentleman's last suggestion.

Mr. LUCE. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUCE. Mr. Speaker, I have been greatly interested in the attempt of the gentleman from Nebraska [Mr. HOWARD] to transfer the responsibility for this matter to one who was formerly a member of the House, and apparently try to avoid all personal responsibility for it. I would remind him that he introduced the measure in question. I would remind him that he refused all pleas to withdraw it, and that he may not, under the guise of the defense of somebody else, shirk his own responsibility. Furthermore, whatever blame may attach to the House, none should be given to the Senate or to President Hoover. The mischief was accomplished solely by a House resolution.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. LUCE. If the gentleman will get me more time; yes.

Mr. HOWARD. Sure, I will if I can. The gentleman seems to be under a misapprehension. The gentleman seems to regard me as the author of lifting the legislation causing publicity of the doings of the Reconstruction Finance Corporation. The fact of the matter is that I was preceded in that good work by John Garner, the Speaker of this House, who lifted the blanket after the 10th day of July last year. I simply went back and lifted the blanket for the 5½ months preceding. That is all. He took the lead in this matter long before the passage of my own resolutions.

Mr. LUCE. I am grateful to the gentleman for acknowledging at least some responsibility in this matter.

Mr. HOWARD. Oh, I wish I could take all of it.

Mr. LUCE. I give it to the gentleman.

The facts of the case are these. For the sake of an academic theory, for advancing a view of government, there was presented to this House a proposal that did the greatest damage. It was foreseen that it would do damage. The men who were responsible for it, no matter who they may have been, were begged by those conducting the Reconstruction Finance Corporation, Democrats and Republicans alike, not to do this thing. It was predicted that disaster would follow, and disaster did follow. No man may rise here and successfully defend himself by taking some doctrine from the pages of political science and saying for that reason it was a prudent thing to increase so tremendously the damage already done by this depression. I am told that 250 banks failed by reason of the publicity resulting. If they had on the average 1,000 depositors each, that would mean 250,000 citizens of the United States who have been thrown into trouble and distress by this action. No man has yet produced one shred of evidence to show that any benefit whatever accrued from publishing the names of banks that had secured loans.

It resulted not only in the closing of banks and the distress of depositors, but it deterred many other banks from turning to the Reconstruction Finance Corporation for relief. Furthermore, in some cases banks that never got a dollar of

cash were ruined. As a precaution, though not in pressing need, the bank had asked for a loan and been credited therewith on the books of the Reconstruction Finance Corporation. It was found unnecessary to use the loan and the credit was canceled. Yet, after the disclosure that, forsooth, some months before in an attempt to guard against possible danger the bank had resorted to this course, when the knowledge came to the public that the bank had gotten credit on the books of the corporation, there followed a run and the bank was closed.

Here, there, all over the country that sort of thing happened. The work of the Reconstruction Finance Corporation was greatly impeded. Its benefits were greatly lessened. Mr. Pomerene declares that the publication of names almost counteracted all the good the Reconstruction Finance Corporation had been able to do. As he points out, the banks that got loans were good banks and the loans were amply secured as the law required. To use the words credited to him, "requests for loans did not mean that applicant banks were unsound, but some silly persons construed them that way."

As I have said, not one shred of evidence has been produced to show any advantage coming to the public from the enforced publicity.

I cannot believe that it is a wise thing to make upon this floor statements that may still further disturb the country, may still further arouse animosity against banks. Who have the greatest interest in the safety of the banks? Not the owners nor the officers, but the depositors. It is the men who leave their money in the banks that are most hurt by this sort of thing—your neighbors and friends and you yourselves.

I am willing to accept as my own declaration every word that Mr. Pomerene uttered in this matter, and I would, if need be, repeat each one and defend it on the floor of this House. Denunciation cannot be too severe. It was deserved. It ought to be repeated until the House understands that it cannot proceed in such fashion, thoughtlessly, carelessly endangering the welfare of millions of our people, without creating occasion for remorse. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

MONETARY SYSTEM OF THE UNITED STATES

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. CROSS] may proceed for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

Mr. CROSS. Mr. Speaker, for primitive people, where the products of the community could be assembled at near-by convenient centers, barter furnished an ideal system of traffic. If such a system was still practicable and in vogue in America today, with all our obligations, both public and private, payable in commodities and other products, with all our farms and ranches amply stocked with every animal as they are, and our granaries filled to overflowing with every cereal that goes to feed and our warehouses bursting with all the fabrics that go to clothe man, this would be an era of unparalleled prosperity. But in this day such a system is impracticable, even impossible, for as civilization advanced and population increased and the wants of the people multiplied it became necessary to select certain commodities as a common medium of exchange. There are two metals—silver and gold—by reason of their limited quantity, luster, durability, and malleability peculiarly adapted for this purpose. And so we find these two commodities being used through the centuries as a common medium of exchange to reflect, as a mirror reflects the true image of an object, the true value of all property in response to supply and demand.

An adequate medium of exchange properly regulated will perform the functions of and obtain for the people all the benefits of barter, and as a result the more blessed the people are with the things that go to supply their needs and comforts the greater their prosperity.

But if in the midst of plenty, as we are today, we find want and hunger and rags and suffering, it is evident that that common medium has ceased to perform, as an honest agent should, the functions of barter, and has become a false, dishonest, treacherous agent as a result of its metallic inadequacy, improper regulation, or manipulation, or a combination of such causes. And while the two latter may have had a prominent part, there can be no question but that the inadequacy of our redemption metal, gold has been and is playing the leading role in this tragedy of tragedies that is now being enacted in this country on a stage as broad as the Nation.

Mr. Speaker, the prosperity of a country, above all else, is buttressed upon its monetary system, which, if wisely regulated and controlled, means an honest dollar measuring out exact justice to all—producer, consumer, debtor, and creditor alike. While a manipulated avaricious dollar means false measures, dishonest weights, and an impoverished, embittered people, and ultimately the ruin of those who may have profited by such injustice. Here, and here alone, through sound and judicious legislation exists the power to woo back our departed prosperity. Commercial prosperity depends upon credit, and credit depends upon confidence. Destroy confidence, and credit, its shadow, will vanish. The foundation of every country's financial structure is its redemption metal, and if this foundation be sufficiently broad and yet so limited in production by nature as to insure confidence, but subject to sufficient expansion in production to take care of the constantly growing monetary needs resulting from the increase of population and traffic, then the more there is of such primary money in circulation, whether in coin or certificates of deposit based on bullion in the Treasury, the stronger the financial structure and the less liable to violent financial shocks. Such money always becomes more or less well distributed among the people; and, unlike phantom or credit money, having no strings tied to it, it cannot, by the mere ipse dixit of some Federal Reserve Board, be jerked out of circulation overnight. While a currency redeemable in a metal inadequate in quantity will, at the slightest financial shock, breed fear and hoarding and a sharp contraction of credit.

As long as confidence prevails the quantity of redemption metal is immaterial, however inadequate in quantity it may be to redeem the paper currency based on it. Since so long as confidence prevails, none would ask for redemption as the paper is far more convenient to carry and handle than would be the metal. But the greater the inadequacy of the quantity of the redemption metal, the more inclined is confidence to yield to fear and the greater the financial disaster when such occurs. And so with credit gone and money hoarded and debts and obligations of every hue and kind, payable in money, falling due, the dollar soars in price until it takes from 4 to 5 times as much of any commodity or other property to buy as many dollars as it did when debts contracted fall due. Not because such property or commodities have in the aggregate diminished in value, for the things which supply the necessities as well as the comforts and luxuries of life, the houses we live in, the things that feed and clothe us, and the lands that produce them, are as valuable today as they were 5 years ago and will be as valuable 5 or 500 years hence. But gold, which constitutes our redemption metal, by reason of its inadequacy is not performing the function of honestly reflecting the true values of property but fictitious swindling values several times less than the true value. And so our dollar has become a dishonest highjacking dollar, demanding of its victim, the debtor, 3 and 4 times the amount that is justly due. Surely, none who have studied this question but realizes the inadequacy of gold as the redemption or basic metal to sustain the currencies of the world. What are the facts? As per the annual report of the Director of the Mint for the fiscal year ending June 30, 1932, the gold production of the world from 1492 to 1932 was 1,084,835,651 fine

ounces, and 47 percent of this, including all that was extant in the world at that time, has been lost, destroyed, and consumed in the fine arts, much of it lies buried in cemeteries, leaving only 53 percent of this in bullion and coin in all the world, which measured in dollars containing 23.22 grains fine, amounts to $11,940,606,000, or less than $6 per capita for the world's population.

The gold-bearing areas of the world for years have been thoroughly explored as well as exploited, and as a result the supply of this much-sought-for metal is gradually becoming exhausted, as an examination of the last report of the Director of the Mint will readily show. Take the world production as shown by that report for the last 26 years—that is, from 1906 to 1931, inclusive, and divide it into two periods of 13 years each and it reveals the fact that during the former period covering the years 1906 to 1918, inclusive, the world's production of gold amounted to 277,145,079 fine ounces, while for the succeeding 13-year period—that is, from 1919 to 1931, inclusive, there was produced only 242,-738,273 ounces, or a falling off in production in the latter period of 34,406,806 ounces; that is about 13 percent. While taking the same 26 years, the report shows that there was produced in the United States during the first 13 years, that is, from 1906 to 1918, inclusive, 57,812,635 fine ounces, but in the succeeding 13 years, that is, from 1919 to 1931, inclusive, only 31,278,679 fine ounces, or a decline in this country in the latter period of 46 percent, the average annual production of the first 13-year period being 4,447,126 fine ounces and for the second 13-year period the average annual production being only 2,406,052 fine ounces. Much has been said about increased production in 1932. But what are the facts? Although many thousands of unemployed, struggling to make enough to keep body and soul together during 1932 have gleaned over and over the already exhausted placer mines in every part of this Nation, including Alaska, the Director of the Mint has just advised me that in spite of all this the production for 1932 amounts to only 2,507,000 fine ounces, or practically the annual average for the latter period. And while this decline in gold production was taking place, not only did world population greatly increase but world traffic easily doubled, and during the same period India and other countries, having been forced to abandon the silver standard, added tremendously to the money work to be done by gold. While this country, gold crazy, with practically half the world's supply locked in its vaults, says to other nations, "If you want my products, you must pay for them in gold." What irony, what folly! No wonder our factories stand idle. No wonder our commodities are left to rot in the fields, and millions in our cities are begging for bread.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a brief question?

Mr. CROSS. I yield.

Mr. BANKHEAD. The gentleman, of course, knows I am interested in the matter along with him. I trust the gentleman, before he concludes, if he has the time, will take occasion to give his impression of the result upon the economic structure of the world of the debasement of silver by the British Government in 1925. I am sure the gentleman is familiar with the facts in connection with this matter.

Mr. CROSS. Everyone knows how, when Great Britain did that, no doubt for a sinister purpose, the price of commodities broke and plunged down and down.

Mr. Speaker, the critical condition of this country demands immediate relief, and this body is the only physician that can apply the remedy, and there is but one remedy, one safe and sound remedy, and that is to expand the currency by increasing our redemption money by broadening our metallic base with silver, and thereby reduce the present abnormally high purchasing power of the gold dollar through the method of a bill I have introduced, which instructs the Secretary of the Treasury to purchase silver bullion at the market price and to pay for same with silver certificates, such certificates to be redeemable in silver bullion of an amount equal to the full face value of the certificates measured in gold or gold coin at the option of the Treasurer. The Treasurer is to continue to so purchase until 371¼ grains of fine silver reaches a parity with 25.8 grains of gold, nine tenths fine. As silver advances in price the Secretary of the Treasury may issue additional certificates on the seigniorage and use same in paying current governmental expenses, provided the value of the silver bullion on deposit exceeds by 10 percent the value of all outstanding certificates issued against such bullion when measured in gold.

This bill further provides that should, at any time, the price of silver so decline that the amount of bullion on deposit does not exceed by 10 percent all such certificates outstanding, the Secretary of the Treasury shall at once proceed to purchase silver bullion until the amount of silver bullion in the Treasury shall exceed by 10 percent the face value when measured in gold of all certificates outstanding, and $100,-000,000 is appropriated to be used for that purpose should such an inconceivable event occur. We have hundreds of millions of paper currency with less than 50 percent of gold back of it. And today the Federal Reserve Banks are issuing literally billions of paper currency redeemable in neither gold nor silver but based alone on the notes of individuals and corporations, and since such notes, unlike gold and silver, are unlimited in the possibility of their making, such currency based on same is in turn unlimited in the amount that might be issued. It is true back of this currency is the credit of the Government, but what if the Government, as Germany did, becomes insolvent? If this is not "printing-press money," "fiat money," it is its German cousin. And yet this quasi "fiat paper-currency inflation" is a dire necessity at this time, brought about by the loss of confidence resulting from a realization of the inadequacy of gold as a redemption metal, and while this injection of paper inflation is necessary to revive our paralyzed financial system, to continue the patient with such treatment too long will prove fatal, and yet to return to the inadequacy of gold would mean sooner or later a recurrence of our present deplorable condition. There is, then, my colleagues, but one permanent sustaining remedy, and that is to increase the amount of redemption metal by adding silver to gold. The certificates issued under this bill would be the best-secured currency ever issued by the Treasury, for back of each certificate would be silver bullion worth the full face value of the certificate measured in gold plus 10 percent additional. No money could be—no money was ever—sounder.

But there may be some, who are not informed, to contend that such a law would flood this country with silver. And yet how groundless is such a fear in face of the facts. If all the gold exant in 1492 plus 47 percent of all that which has been produced since that time has been lost, worn out, and consumed in the arts, silver, by reason of its more extended use for practicable purposes, must have suffered far more from wear and tear and lossage than gold. But surely we are justified in assuming that the same causes that have resulted in removing all the gold exant in 1492 plus 47 percent of all that which has been produced since then have operated and had the same effect on silver. Now, the report of the Director of the Mint discloses the fact that the entire amount of silver produced in the world since 1492 amounts to 15,170,272,102 fine ounces, and deducting 47 percent as nonavailable for monetary stock, and we find there is only available for monetary purposes in the world 8,040,-244,214 fine ounces, which, when translated into dollars containing 371¼ grains of fine silver, amounts to less than ten and a half billions. Our present silver dollar contains 371¼ grains of fine silver, which is at a ratio of the 23.22 grains of fine gold in a gold dollar of 15.98 to 1, or practically at 16 to 1. This ratio is unfair to silver, since the average ratio of production of the two metals throughout the world for more than 540 years, that is, from 1492 until the present, has been exactly 13.98 to 1, as shown by the report of the mint. As long as this country was on a bimetallic basis and coined the metals at this ratio, that is, 15.98 to 1, the silver dollar was at a premium over the gold dollar, being at a premium of 2 percent when this country went to the single gold standard in 1873. America, though a prince in silver, is a pauper in gold. The Americans produce 82 per-

cent of the silver of the world, while the United States, Canada, and Mexico produce 72 per cent of the world's silver production; while, on the other hand, North, Central, and South America, plus the West Indies, produce barely 28 per cent of the world's gold.

Mr. Speaker, if in conjunction with foreign gold we will but use the silver so bountifully bestowed upon us by nature in the foundation of our financial structure, daylight will break and this heart-rending depression will break with it. Mr. Speaker, we need no longer look across the Atlantic for major markets, for debt-repudiating Europe carries under her cloak the dagger of a Brutus to assassinate our trade in that quarter. Let us look to our neighbors in North, Central, and South America and across the Pacific to Asia's teeming millions, and if we will but enact this bill and restore the purchasing power of the only money they know, we will "grapple their trade to us with hooks of silver," and monopolize the traffic of two thirds of the world's population.

Though on our ranches and farms, in our granaries and warehouses, there be more food than our people can eat, more fabrics than they can wear, yet they suffer for food and shiver with cold and plead for work in vain. What an indictment of this body that for 3½ long years we have fiddled while the Nation groans.

Mr. Speaker, want and distress is undermining the patriotism of our people and breeding untold crime, and unless this body acts without further delay to remedy conditions, I hesitate to predict what tomorrow may have in store. Not a sun gilds this Capitol but new reports come to us from out West of the swelling discontent that is sweeping the yeomanry that produce the grain that feeds the Nation. Long and patiently they suffered, hoping, vainly hoping, that this body would act to relieve them from the cruel injustice of the highjacking inflated gold dollar that was pauperizing them by taking from them the hard earnings of a lifetime until at last embittered, desperate, they are throttling the courts, brushing aside the law, and are by their their acts declaring to the world that before they will further endure legal robbery they are ready to embrace anarchy.

As surely as those who possess lands and houses and products are anxious that its purchasing power of dollars be high, so surely do those who possess great money wealth, whether in cash, gold bonds, or other such securities, are anxious that the purchasing power of the dollar, when translated into other property, be high; and since the more limited the monetary metal the more effectively they can control and manipulate it, is it any wonder in their consuming greed that they attempt to frighten Congress and the people through propaganda by making dire predictions of what would happen should we do aught to relieve the distressed condition of the people by reducing the present robber price of the gold dollar by expanding the currency, though in a safe and sane way, and thereby restore property and commodity prices to normalcy? Knowing that they can not conjure up any argument against the soundness of expanding the currency by broadening the metallic base by adding silver to gold as a redemption metal, they dodge the issue and attempt to deceive and mislead by exclaiming, "Inflation", "Fiat money", "Printing-press money", and "Look what happened to the German marks", when they know that the German marks had back of them no redemption metal, neither silver nor gold, much less both silver and gold with silver measured in gold. It was "fiat money", pure and simple, with nothing back of it except the promise of a Government hopelessly bankrupt, recently conquered in war, and ruthlessly sacked. This bill retains the gold standard but broadens the monetary base by using both gold and silver as redemption metal, thereby lessening the strain on gold and reducing its inflated purchasing power; that is, restoring the price of commodities and other products to normalcy. In order to protect their citizens from the injustice of the gold dollar several times inflated, England, France, Italy, Holland, Norway, Sweden, and in fact every country in Europe has either gone off the gold standard or readjusted the value of their monetary units so that commodities and other property will purchase as many of those units, whether they be francs, pounds, lire, or whatnot, as when the debts of their citizens were contracted; so that today America alone bleeds impaled on the gold standard.

I here and now warn those who in their folly would throttle this sane and just method of expansion if they are successful in their efforts that the ultimate fruit of that success will indeed be fiat money and, I fear, red fiat money. This bill retains the gold dollar as the standard, while deflating it with silver.

Is this not the same group that assured Congress that if it would set up the Reconstruction Finance Corporation, so that through it they could unload on the Government such worthless securities held by them as that of the Insulls, that prosperity would blossom again? Is it not the same group that returned later and assured Congress that if it would enact the so-called Glass-Steagall bill, so that they could issue fiat money on their bonds, and thereby get double interest, the clouds would clear away? Is this not the same group that is now using every means of propaganda against this bill and telling us that if we will only cancel the war debts and shift $12,000,000,000 in taxes from Europe to the backs of our people, and thereby enable them to collect the billions of private loans made by them in those countries, the croaking raven of depression will disappear? Do they think our credulity is such that we can be forever duped?

In the cloakroom and office, with hardly a dissenting voice, we all agree that the only solution, the only door that will lead us out of this frightful nightmare of depression, this slough of despond, back into the El Dorado of prosperity, is that of metallic expansion. Then why do we longer hesitate; why do we not act? We cannot escape the solemn responsibility placed upon us by the Constitution to coin and regulate the value of money, from the lack of which regulation this country as I address you trembles upon the verge of political as well as financial disaster.

Why do our manipulating money barons continue to intimidate and frighten us by propaganda, through press, mail, and radio. Have we not been generous in legislation for them? Have they forgotten the French Revolution with its guillotine, its Dantons and Robespierres? Russia with her Lenins and Stalins? There is a Mussolini in Italy, a Hitler in Germany, while in America "coming events are casting their ominous shadows before." When the storm breaks, it will be too late then, and there will be no cellars in which to hide. Those who oppose this measure are blinded by nearsighted greed, and if the golden scales would but fall from their eyes they of all men would be here pleading for its passage.

Mr. Speaker, enact this bill into law and ere long every wharf on our Atlantic and Pacific coasts will be laden with the products of our factories and every dock will be crowded with American vessels waiting their cargoes for Mexico, Central and South America, for Japan, China, and India. Every factory will throb again with life and every laborer who wills to work will have a job, and this Nation will become in truth and fact the great mart of the world. [Applause.]

Mr. Speaker, I ask unanimous consent to extend my remarks by adding to them that part of the report of Mr. Windom, Secretary of the Treasury in 1889, recommending to Congress a bill on this subject practically the same as the one I am urging at this time.

The SPEAKER. Without objection, it is so ordered.

The matter referred to is as follows:

EXCERPTS FROM THE REPORT OF THE UNITED STATES TREASURER, WILLIAM WINDOM, DECEMBER 2, 1889

From the year 1717 to 1873 the ratio between gold and silver was remarkably constant, being 15.13 to 1 in the former year and 15.92 to 1 in the latter year. During this long period of 150 years there were slight fluctuations in the ratio, but not enough to cause any serious inconvenience. Even during the period of the immense production of gold, from 1848 to 1868, when $2,757,000,000 of gold was produced and only $813,000,000 of silver, the change in the ratio was only about 1.6 percent. * * *

As a matter of fact the act of 1873 had little or no effect upon the price of silver. The United States was at that time on a paper basis. The entire number of silver dollars coined in this

country from the organization of the mint in 1792, to that date, was only 8,045,838, and they had not been in circulation for over 25 years. * * *

MEASURE RECOMMENDED

Issue Treasury notes against deposits of silver bullion at the market price of silver when deposited, payable on demand in such quantities of silver bullion as will equal in value, at the date of presentation, the number of dollars expressed on the face of the notes at the market price of silver, or in gold, at the option of the Government; or in silver dollars at the option of the holder. Repeal the compulsory feature of the present coinage act.

The Secretary desires to call special attention to this proposition, believing that in the application of its principles will be found the safest, surest, and most satisfactory solution of the silver problem as it is now presented for the action of this country. In explaining the proposed measure, at this time, it is intended to deal only with its general features; but, if desired, a bill embracing the details believed to be necessary to its satisfactory operation will be prepared and submitted for the consideration of Congress.

The proposition is briefly this: To open the mints of the United States to the free deposit of silver, the market value of the same (not to exceed $1 for 412.5 grains of standard silver), at the time of deposit, to be paid in Treasury notes; said notes to be redeemable in the quantity of silver which could be purchased by the number of dollars expressed on the face of the notes at the time presented for payment, or in gold, at the option of the Government, and to be receivable for customs, taxes, and all public dues; and when so received they may be reissued; and such notes, when held by any national banking association, shall be counted as part of its lawful reserve.

The Secretary of the Treasury should have discretionary power to suspend, temporarily, the receipt of silver bullion for payment in notes, when necessary to protect the Government against combinations formed for the purpose of giving an arbitrary and fictitious price to silver.

If the price of silver should advance between the date of the issue of a note and its payment, the holder of the note would receive a less quantity of silver than he deposited, but he would receive the exact quantity of silver which could be bought in the market with the number of gold dollars called for by his note at the date of payment. If the price should decline, he would receive more silver than he deposited, but he would receive the quantity of silver which could be purchased with the number of gold dollars called for by his note at the time he presented it for payment.

The advantages of retaining the option to redeem in gold are threefold:

First. It would give additional credit to the notes.

Second. It would prevent the withdrawal and redeposit of silver for speculative purposes.

Third. It would afford a convenient method of making change when the weight of silver bars does not correspond with the amount of the notes.

So far as the issue of the notes is concerned, the plan is very simple. If a depositor brings a hundred ounces of silver to the mint, and the market price of silver at that date, as determined by the Secretary of the Treasury, is 95 cents an ounce, he would receive in payment Treasury notes calling for $95. * * *

ADVANTAGES OF THE PROPOSED MEASURE

Among the obvious advantages of the measure proposed, the following may be briefly stated:

First. It would establish and maintain through the operations of trade a convenient and economical use of all the money metal in the country.

Second. It would give us a paper currency not subject to undue or arbitrary inflation or contraction, nor to fluctuating values, but based dollar for dollar on bullion at its market price; and having behind it the pledge of the Government to maintain its value at par; it would be as good as gold, and would remain in circulation, as there could be no motive for demanding redemption for the purposes of ordinary business transactions.

Third. By the utilization of silver in this way a market would be provided for the surplus product. This would tend to the rapid enhancement of its value, until a point be reached where we can with safety open our mints to the free coinage of silver.

Fourth. The volume of absolutely sound and perfectly convenient currency thus introduced into the channels of trade would also relieve gold of a part of the work which it would otherwise be required to perform. Both of the causes last mentioned, it is confidently believed, would tend to reduce the difference in value between the two metals and to restore the equilibrium so much desired. It would furnish a perfectly sound currency to take the place of retired national-bank notes, and thus prevent the contraction feared from that source.

Fifth. It would meet the wants of those who desire a larger volume of circulation, by the introduction of a currency, which, being at all times the equivalent of gold, would freely circulate with it, and thus avoid the danger of contraction, which lurks in the policy of increased or free coinage of silver, by reason of the hoarding or exportation of gold.

Sixth. It should not encounter the opposition of those who deprecate inflation for, though the volume of currency may be somewhat increased, the notes would be limited to the surplus product of silver, and each dollar thus issued could be absolutely sound and would represent an amount of bullion worth a dollar in gold.

Seventh. It would be far more advantageous to silver producers than increased coinage under existing law, for in both cases bullion would be paid for at its market value, and under the plan proposed a much larger amount could be used with safety; and while increased coinage would arouse the fears and encounter the opposition of a very large and powerful class of people, it is believed that this measure would meet with their acquiescence.

Eighth. There would be no possibility of loss to the holders of these notes, because in addition to their full face value in bullion they would have behind them the pledged faith of the Government to redeem them in gold, or its equivalent in silver bullion.

Ninth. The adoption of this policy and the repeal of the Compulsory Coinage Act would quiet public apprehension in regard to the overissue of standard silver dollars, and the present stock could therefore be safely maintained at par.

Tenth. This plan could be tried with perfect safety, and it is believed with advantage to all our interests. Should it prove a successful and satisfactory plan for utilizing silver as money, other nations might find it to their interest to adopt it without waiting for an international agreement; and should concerted action be deemed desirable, it could then be more readily secured.

By this method it is believed that the way would be paved for the opening of the mints of the world to the free coinage of silver and the restoration of the former equilibrium of the money metals.

POSSIBLE OBJECTIONS AND CRITICISMS

I may here conveniently note and answer in brief some of the objections which may be made to this proposition:

First. Possibility of loss to the Government by a further depreciation in the value of silver bullion.

This danger is exceedingly remote. On the other hand, there is every reason to believe that a profit to the Government would be realized by the adoption of this measure. First, from the almost certain rise in the value of the silver on deposit, which would inure to its advantage; and, second, from the destruction and permanent loss of notes, which would never be presented for redemption, the bullion represented by them then becoming the property of the Government.

But even if a loss arise by reason of a further decline in the value of silver, this would not be a valid objection to the measure proposed, for the reason that the Government, having assumed control of the currency of the country, is bound, at whatever cost, to supply a circulating medium which is absolutely sound. This duty has been fully recognized in the case of our legal-tender notes, by the sale of 4 and 4½ percent bonds, amounting to $95,500,000, in order to provide that amount of gold, which now lies in the Treasury, as a reserve for their redemption. We have already paid out over $40,000,000 interest on these bonds as a portion of the cost of maintaining the outstanding $346,000,000 of United States notes, and we are still paying over $4,000,000 a year for that purpose.

Second. It might be suggested that to issue Treasury notes on unlimited deposits of bullion would place the Government at the mercy of combinations organized to arbitrarily put up the price of silver for the purpose of unloading on the Treasury at a fictitious value.

This danger may be averted by giving the Secretary of the Treasury discretion to suspend temporarily the receipt of silver and issue of notes in the event of such a combination, and he might be authorized, under proper restrictions, to sell silver, if necessary, retaining the gold proceeds for the redemption of the notes. The existence of such authority, even if never exercised, would prevent the formation of any effectual combination of this kind, for the reason that a combination to control the silver product of the world would be very expensive, requiring immense capital, and could not be successfully undertaken in the face of the power lodged with the Secretary to defeat it. This method of guarding against combinations and corners would be far better than the proposition to fix the price at which notes should be issued at the average price of silver during any considerable antecedent period of time, as the latter would tend to prevent the normal rise in value, which is desired and anticipated from the adoption of this method.

Third. If it be objected to on the ground that it would degrade silver from its position as money and reduce it to the level of a mere commodity, the reply is that silver bullion is now a mere commodity.

This policy would at once give to silver, through its paper representatives, the rank and dignity of money in the most convenient and least expensive way in which it can possibly be utilized. The issue of notes based on bullion, as proposed, would have the effect of crowning it with the dignity of money as effectually as could the dies and stamps of a United States mint. Instead of degrading silver, this plan would tend to restore it to its former ratio with gold.

Fourth. It might be urged against this plan that it would open a tempting field for speculation by offering to speculators an opportunity, when silver had temporarily fallen but was likely to advance, to withdraw from the Treasury and hold for a rise the silver bullion covered by notes, or when there might be a possibility of a depression to deposit it, wait for a fall in price, and then have their notes redeemed in an increased quantity of silver.

The answer to this objection is that the danger is by no means great; but should it prove so, the judicious exercise by the Secretary of the Treasury of his option to redeem in gold (either coin, bullion, or certificates) would effectually prevent the successful culminations of such speculative operations.

Fifth. Unless the amount of silver bullion be limited, may not this policy result in an undue and dangerous increase in the volume of our currency? May we not be flooded with the world's excess of silver?

Fears of too large a volume of absolutely sound currency are not entertained to any considerable extent by our people. The dangers from such an expansion are not apparent, nor are they serious. It is only inflation from overissue of doubtful or depreciated dollars that affords substantial grounds for apprehension.

As to the objection that we may be flooded with the world's silver, the proposed law itself and the statistics in regard to the present product and the uses of silver furnish a complete reply.

Treasury notes would only be issued at the average price of silver in the leading financial centers of Europe and the United States, so that there could be no possible motive for shipping it from abroad. Why should anyone pay the cost of transporting silver from Europe to exchange for our Treasury notes at the same price it would command in gold at home? Probably we should receive some of the surplus product of Mexico; but, as will be presently shown, the amount would not be dangerously large. It would not come from South America, because it would command the same price in gold in London that it would in notes in New York, and nearly all the product of South America goes, in the shape of miscellaneous ores and base bars, to Europe for economical refining. * * *

If, however, any limitation be thought necessary, it would seem preferable to restrict deposits to the product of our own mines or the mines of this continent, or to deposits of new bullion, as distinguished from foreign coin and foreign melted coin, rather than to limit the amount to be received to a specific quantity or value.

He is a dull observer of the condition and trend of public sentiment in this country who does not realize that the continued use of silver as money in some form is certain. No measure can be presented to which it may not be possible to find objections. This one is suggested with a view to promoting the joint use of silver and gold as money, and with the full confidence that it will secure all the advantages hoped for from any of the plans proposed without incurring their real or apprehended dangers.

REPORT OF NATIONAL TRANSPORTATION COMMITTEE—EXPENDITURES ON INLAND WATERWAYS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. Speaker, on February 15 there was inserted in the RECORD, by Senator FESS, the report of the committee recently appointed to make investigations with reference to the railroad transportation problems. The committee was composed of gentlemen of the most eminent standing, appointed by the leading insurance companies, investment bankers, railway-business associations, and prominent institutions of learning, as stated in the appendix of the report.

This committee has been referred to as the national transportation committee. The late ex-President Coolidge was its chairman and Mr. Bernard M. Baruch was vice chairman, the other members being ex-Governor Smith, Mr. Clark Howell, and Mr. Alexander Legge.

After the death of Mr. Coolidge, the report here referred to was made by the other members of the committee, Messrs. Baruch, Howell, and Legge joining in a majority report, and ex-Governor Smith presenting a minority report.

I agree with much that is stated in the report, especially in the minority views of Governor Smith. But, for the sole purpose of keeping the record straight, I desire to call attention to an erroneous statement appearing in the majority report. It is in regard to the amount of money being expended by Congress for the improvement of inland waterways for transportation purposes.

In the majority report the subject of waterway-transportation facilities is treated under four heads, as follows:

(a) The Great Lakes waterway.
(b) The St. Lawrence seaway.
(c) Government barge line.
(d) Inland waterways in general.

Under this last head appears the following language:

Our waterway policy for the past few years has averaged a cost of about $100,000,000 annually and tremendous projects involving hundreds of millions are being considered. Our studies show no commensurate economic benefit resulting from much of this spending. * * * At a time when the very stability of our system depends on the balancing of Federal expenditures with revenue, and the sources of taxation seem almost dry, we find it difficult to justify this wasteful outpouring of hundreds of millions of dollars for results so barren of economic returns.

In its assumption that an average of $100,000,000 has been expended annually in the improvement of inland waters for transportation, the transportation committee is entirely in error. No such appropriations have ever been made by Congress, and consequently no such expenditures could possibly have been made by the War Department.

This statement in substance has frequently appeared in print, and doubtless some of the opponents of water transportation who appeared before the transportation committee restated these figures in their briefs.

It is true that all such waterway expenditures were greatly increased during the past 3 years, not only on inland waters but upon ports, harbors, and other coastal works, and upon the Great Lakes as well. This temporary increase in no sense of the word constitutes "our waterway policy," as referred to in the report of the transportation committee. It was merely a temporary relief measure to aid the unemployed.

In any event, the total appropriations for all these waters, including the ports of Alaska, Hawaii, and Puerto Rico, were far short of the amount assumed by the transportation committee to have been expended upon inland waterways alone. For the past 10 years the appropriations have been as follows:

1923	$57,061,710
1924	37,614,950
1925	40,330,405
1926	50,232,653
1927	50,215,000
1928	56,506,310
1929	50,015,680
1930	67,014,400
1931	82,520,800
1932	90,000,000
1933	39,418,129

The transportation committee evidently did not refer to the acts of Congress appropriating the money, nor to the records of the War Department in making the expenditures. In fact, the majority report shows upon its face that this was not done. It says:

The committee gathered its facts from three sources:
(1) Open hearings.
(2) Studies of other investigating bodies, memoranda, briefs, and specific suggestions.
(3) The work of Dr. Moulton and the staff.

The appropriation of $39,418,129, made a few weeks ago for the coming year, is the lowest annual appropriation that has been made since 1924. It, of course, has not been expended. In view of the fact that $22,000,000 will be required for maintenance purposes, it goes without saying that the proportion of the remaining $17,000,000 that can be allotted for construction work on inland waters will be practically nil. I can as consistently refer to this as constituting our "waterway policy," as the transportation committee did in so considering the emergency-relief appropriations.

I further call attention to the fact that the increased appropriations in 1930, 1931, and 1932 did not add to the cost of government, as no additional expenditures were authorized. Every dollar of the money was expended on works to which the Government was already committed by acts of Congress. These increased appropriations actually resulted in great savings to the Government, as the work was carried out on a basis of little more than 50 cents on the dollar of the amounts authorized.

One illustration along this line will be sufficient. The river and harbor bill of 1930 authorized the deepening of the Great Lakes channels from 21 to 24 feet. The cost was estimated at a little more than $29,000,000. By reason of the increased appropriations during the past 3 years the contracts have all been let and some of them completed. I am advised by Colonel Markham, division engineer at Cleveland, that no contract exceeds 51 percent of the estimated cost. The actual saving to the Government will amount to about $13,000,000 on the Great Lakes alone, besides affording work to many thousands of laborers in the time of their greatest need.

It may be of general interest to know where the expenditures for waterway transportation improvements have been made. I furnish the following statement from the Chief of

Engineers, embracing all such expenditures from the beginning of our Government to June 30, 1932:

	New work	Maintenance
Atlantic coast harbors	$276, 208, 555. 85	$83, 627, 913. 57
Gulf coast harbors	85, 811, 659. 54	51, 843, 300. 30
Pacific coast harbors	67, 864, 446. 37	26, 316, 488. 76
Mississippi River system	377, 227, 994. 18	61, 174, 183. 25
Intracoastal waterways	47, 818, 948. 41	8, 746, 083. 35
Great Lakes	154, 798, 520. 23	40, 569, 220. 84
Inland waterways	38, 402, 939. 10	17, 137, 604. 55
Hawaii harbors	9, 410, 648. 78	616, 611. 79
Alaska harbors	1, 614, 388. 19	315, 608. 61
Puerto Rico harbors	2, 671, 061. 57	529, 429. 66
Sacramento River, Calif	381, 814. 93	2, 789, 879. 49
Total	1, 062, 210, 977. 15	293, 666, 324. 17

From this statement it will be seen that slightly less than 37 percent of the total expenditures has been upon inland waters, while 63 percent has been upon the ports, harbors, and coastal channels of our Atlantic, Pacific and Gulf seaboards and upon the Great Lakes and the ports and harbors of Alaska, Hawaii, and Puerto Rico.

The expenditures upon all of these waterways combined, have never amounted to as much as $100,000,000 in any year in our history. The nearest approach to it was under the $90,000,000 emergency-relief appropriations for 1932, and the annual report of the Chief of Engineers shows that quite a large proportion of that money remained unexpended at the end of the fiscal year.

The national transportation committee has evidently been imposed upon by some of the parties who appeared before it in opposition to waterway transportation. It will not be a satisfactory explanation for those adroit parties to claim that they included in their estimates expenditures made upon the Muscle Shoals power plant; upon the Boulder Dam in the Colorado; and upon flood-control work for the protection of life and property in the Mississippi Valley. Those expenditures were made for purposes entirely distinct from transportation, and were not under consideration by the national transportation committee. This committee was dealing with transportation only, and the effect upon the railroads of transportation by waterways, highways, airways, and pipe lines.

ORDER OF BUSINESS

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, and I shall not object, I should like to ask the Speaker in regard to the program for the balance of the afternoon. If there is no business, I am perfectly willing that anyone who wishes may talk.

The SPEAKER. There will be no business transacted today.

Mr. SNELL. It will be all right for Members to leave the floor?

Mr. BLACK. Not until after my speech. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BLACK. Mr. Speaker and gentlemen of the House, as chairman of the Committee on Claims, with which all the Members will have some relation as time goes on, I want to make a request for that committee. We find that we do a great deal of work on bills, get them on the calendar, and then find that there are gentlemen in the House more highly technical than members of the committee who object to bills on various grounds other than their merits.

Now, it will help matters considerably if in private relief bills they are in form originally approved by the committee.

I am taking the liberty of suggesting to Members that if they have any doubt as to the form of the bills they intend to introduce that they seek the advice and assistance of the clerk of the Claims Committee. That will obviate the necessity, in case the bill is not in form originally, spending any time in revision as to the form of the bill.

At the last session the committee had 2,000 bills to consider, and we want to give all the time to the merits of the legislation. This will help everybody, and if Members have originally their bills in proper form it will save much time and expense in having amendments printed.

Mr. ALLGOOD. If the gentleman will yield, I think his suggestion is timely; but could not the gentleman's committee furnish Members with the proper form?

Mr. BLACK. That is hardly possible, in view of the great variety of claims. It is much better for Members to go to the committee and have their bills put in proper form.

Mr. LUCE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, as everyone knows, recently there has been submitted to conventions in the States a proposition to amend the Constitution. No Federal legislation has followed that submission. For the first time in the history of this country we are going to experiment with amending the Constitution by submitting the proposition to conventions in the States. During the period when the determination of policy was being considered, naturally there was difference of opinion among Members of the House, first, as to whether the amendment should be submitted and, second, whether to legislatures or to conventions; but when that issue was fought out and the determination arrived at to submit the proposition to the conventions in the States, it then became a matter of common concern that we proceed in the right way, in a way which accords with sound governmental procedure among an honest people capable of self-government. It ought to be a matter of agreement on the part of all the people of the United States that the matter should be submitted to the people in such a way as is most calculated to test the judgment of the people, and should be submitted in such a way as to leave as few questions as possible for the determination of the Supreme Court.

There is a very definite difference of opinion among lawyers particularly with reference to the relative powers of the States and of the Federal Government with reference to these conventions. Having these considerations and these objections in mind, I am taking the liberty of suggesting to the States for their consideration that these conventions should conform as nearly as possible to what we know as the electoral college; that the delegates to those conventions be selected as presidential electors are selected; and that when the delegates to these conventions meet, they issue in triplicate the certificate of the result of their deliberations; and that their election be certified by the Governors of the States, as is done with reference to presidential electors. The reason for this last suggestion is that these conventions when they adjourn will cease to exist, and if anything should happen in transmitting the certificate, it might be difficult to substitute another certificate. At least that precaution has always been taken with regard to the certificates of the Presidential electors, where the reason for the precaution is identical.

There is another thing which recommends the plan suggested. In all the years of our experience there never has been any conflict between the Federal Government and the States with regard to the election of these Presidential electors.

There is still another consideration. In the Constitution there is, of course, no definition of what a "convention" is. It would certainly be desirable that the conventions that are to pass on this constitutional amendment should be such a convention as was recognized by the framers of the Constitution as a suitable agency for the determination of im-

portant governmental matters by the Government being established. This convention of the Presidential electors, which I say is a good model, is a convention provided for in the Constitution, and as now constituted is practically contemporaneous with the Constitution.

Aside from the amendment in, I believe, 1925, when we changed the method of sending up the returns, and so forth, from these conventions of electors, there has been no change in the law governing Presidential electors since Washington's first administration. The fact that the plan has been so long established and is therefore so generally understood in the States—in fact, is uniform in the States—would make, if followed, uniformity as to these conventions in all the States; uniformity, for obvious reasons, is highly desirable. As I view it, this plan has everything to recommend it and nothing to the contrary. Delegates, a sort of wet and dry ticket, could be nominated by any one of several methods and placed on the ballot as party candidates for Presidential electors are, and, as Presidential electors do, these delegates would in their action reflect the attitude toward the proposed amendment of those who had elected them. I do not want to make any controversy as to the point, but for whatever it may be worth, in my judgment, the States or governments do not appear in the picture with reference to the amendment of the Federal Constitution by conventions; not only is the language of the Constitution not confusing but the decisions of the Supreme Court are clear and definite. If in the absence of congressional action the States proceed with initiating and governing these conventions, the effectiveness of such action would depend upon the fact, if sustained, that the States had properly exercised a proper function of governmental comity as between the States and the Federal Government. While that view may, of course, not be accepted, it ought not to be ignored in the determination of State procedure. Every effort should be made by the States that these conventions meet every requirement of fairness and efficiency and, as far as they can, that they be uniform. This is a new venture. The submission is not to the States. The Federal Constitution gives them neither responsibility nor power with regard to its amendment. They have no inherent or reserved powers which they can thrust into the plan and processes of carrying out this section of the Constitution. Section 7, which is the section dealing with the original ratification of the Constitution, does have reference to the convention "of" States.

Clearly the Constitution in the first instance was referred to the States, which met in convention. The States, the sovereign governmental unit, met. But so far as the conventions provided for in the amendatory clause of the Constitution, section 5, are concerned, the reference there is to conventions "in" the States. When you consider together the decisions by the Supreme Court in the *Ohio case* in Two Hundred and Fifty-third United States Reports and the decision in the *Prohibition cases* in Two Hundred and Fifty-eighth United States Reports you find there that the Supreme Court has held that the legislatures and, by analogy, conventions to which constitutional amendments were submitted are performing a Federal function and derive all their power from the Federal Constitution; that the Constitution, including section 5, was a delegation by the people to the Federal Government, and that the Constitution when amended has to be amended as the Federal Constitution provides. Clearly these conventions, when they meet, will perform a Federal function.

While there is no obligation upon the part of the States to initiate or to control these conventions, it is to be assumed—in fact, we know—that the States, Congress having submitted the proposed amendment and not having legislated in regard to the matter, will accept such action as an implied invitation and will proceed to organize these conventions; and it would seem that if the States do proceed to organize these conventions the States have a sufficient interest in their organization and deliberation to bring them within the police powers of the State and make their election laws applicable and make the action of these conventions probably effective.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Regardless of the opinion which lawyers may hold with reference to the relative powers of the Federal Government and the States in the premises, most of us will agree that under the circumstances of this submission the States do have such an interest in this matter that if they assume the responsibility whether as a matter of governmental power and duty or of governmental comity of initiating and controlling the conventions, that interest of the State will bring those conventions within the police power of the State and make them subject to the general election laws of the States. But the element of uncertainty suggests a high degree of caution and of assured justice and freedom from questions. That is why I am presuming to make these suggestions for the consideration of State legislators.

Mr. LUCE. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. LUCE. In the *Ohio case*, to which the gentleman referred, the court held that the word "legislature" was to be construed as ordinarily understood at the time the Constitution was adopted.

Mr. SUMNERS of Texas. That is correct.

Mr. LUCE. And that was repeated last year in the redistricting case where Mr. Justice Hughes approved that idea.

Mr. SUMNERS of Texas. That is right.

Mr. LUCE. Does the gentleman suggest that there is no analogy by which the word "convention" ought to be likewise construed as meaning what it was when the Constitution was adopted, namely, a deliberative body, broadly enough constituted to represent the whole State?

Mr. SUMNERS of Texas. Of course, nobody will ever know until the Supreme Court passes on the questions which will arise, but I believe the safest plan for the States to pursue, everything considered, and the plan best adapted, would be to pursue the general plan which governs the election of Presidential electors. I believe that when these conventions meet the persons elected as delegates to them, in their deliberations, or that which we will by courtesy call deliberations, should reflect the judgment of the people of the States as expressed at the polls, just as the electors reflect the judgment of the people of the States.

Mr. LUCE. The gentleman does not quite get what was in my mind. It is proposed in various States that these conventions shall be very small bodies, elected at large.

Mr. SUMNERS of Texas. Yes.

Mr. LUCE. Certainly no such conception of a convention was in the minds of the fathers in 1789. I am wondering if it is prudent for the States to deviate from the convention idea as held when the Federal Convention assembled?

Mr. SUMNERS of Texas. May I ask the gentleman, does he not regard what we know as the election college as a convention? When you consider the original plan of the Constitution governing the election of the President and Vice President, it was not that the people would elect a President and a Vice President, but that the people would elect some wise persons who would meet in convention and select a President and Vice President. In view of the fact that that is a convention, recognized at the time of the inception of the Constitution, and one that seems to meet all practical requirements, I would prefer taking a chance on that sort of convention rather than to elect a lot of people to these conventions who come together in the States, juggle and negotiate and deal around and probably defeat the will of the people with regard to this proposed amendment.

Mr. LUCE. I am not arguing that suggestion.

Mr. SUMNERS of Texas. I would take a chance on it.

Mr. LUCE. It seems to me that the word "convention" was then understood to be in the nature of the conventions that had assembled to form various State constitutions.

Mr. SUMNERS of Texas. But the best I can say to my distinguished friend is that I would take the chance. I have looked into it and I would take a chance. If these delegates are fairly elected, the fact that they are no more numerous than the number who convene to elect a President and Vice President and that they reflect the will of those who have elected them, just as Presidential electors do, would not, in my judgment, vitiate their action. Put it another way, a number large enough to cast the vote for the people of a State for President and Vice President is large enough to cast a vote for them with regard to a proposed amendment to the Constitution. Of course these delegates could disregard the will of the people of a State just as electors may, but just as electors never do these delegates would not, but that fact would not vitiate their action.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. O'CONNOR. It is well known what is meant by "conventions" in our State constitutions, because a convention to revise State constitutions is provided for, but it has been suggested in some of the States—I think the State of Washington inquired some time ago and tried to obtain an opinion from the Attorney General as to whether or not it would be legal to have the legislatures of the States resolve themselves into conventions. In my opinion, that would violate the spirit of the Constitution, because the alternative methods are proposed. Does the gentleman agree with that idea?

Mr. SUMNERS of Texas. I agree with the gentleman thoroughly.

The SPEAKER pro tempore (Mr. HILL of Alabama). The time of the gentleman from Texas [Mr. SUMNERS] has expired.

Mr. DIES. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIES. I listened with a great deal of interest to the speech delivered by my able and distinguished colleague [Mr. CROSS]. The subject that he discussed is a subject which a large group of the Membership of this House studied and considered on various occasions during the last session. The Committee on Coinage, Weights, and Measures, upon which I have the honor to serve, conducted exhaustive hearings last session for the purpose of determining some practical method of restoring to silver its use in the monetary system of this Nation. A number of Members of this House have devoted exhaustive thought and study to this important question. Several bills have been introduced dealing with it. A bill was introduced by our distinguished Member from Alabama [Mr. BANKHEAD]. Other bills were introduced by the gentleman from Texas [Mr. CROSS], the gentleman from Ohio [Mr. FIESINGER], the gentleman from New York [Mr. SOMERS], and myself dealing with the subject from the point of view of authorizing the Secretary of the Treasury to purchase silver bullion and to issue silver certificates redeemable in silver and in payment for the silver bullion.

The Committee on Coinage, Weights, and Measures reported out a bill during the last hours of the Seventy-second Congress which provided for the limited purchase of silver bullion. As a result of the careful investigations conducted by our committee, as well as independent thought and study on my part, I reached certain definite conclusions, and I think those conclusions are shared by many of the members of that committee. I want to say in this connection that no member of that committee devoted as much time and thought as did the able and distinguished Member from Ohio [Mr. FIESINGER].

I reached the conclusion that this Nation needs an adequate supply of money supported by an adequate metallic base. The purchasing power of money is largely determined by the law of supply and demand. If the supply is excessive in relation to demand, its value falls. Since the quantity of our paper money has heretofore been determined to a large extent by our supply of gold, the supply of gold in the United States has been a determining factor in fixing the value of our money. A great increase in the volume of gold in a nation whose monetary system is based on gold will raise prices and a great decrease will have a contrary effect. In the United States the stock of gold money increased by more than 100 percent from 1896 to 1903, and the total stock of money increased by nearly 50 per cent. Prices of commodities advanced considerably during this period. The middle of the sixteenth century marks the end of the medieval dearth of silver. The mines of the New World were beginning to produce. The old system of fixing wages by statute broke down. Formerly successive debasements of the coinage had saved Europe from the perpetual fall of prices, but after the discovery of the mines of the New World the purchasing power of an ounce of silver fell. The inducements to debase the coinage were greatly diminished and prices rose.

My investigation convinced me that during the last quarter of a century the average production of gold has been falling off considerably. The gold mines of the world are practically exhausted. There is only about $11,000,000,000 in gold in the world, with the United States owning a little more than four billions. We have more than $100,000,000,000 in debts payable in gold of the present weight and fineness. We had prior to the passage of the recent banking act about five billion five hundred million of lawful currency redeemable in gold. The elaborate and complicated financial and credit structure of this Nation rests upon a narrow foundation of gold whose supply is not increasing sufficiently to satisfy the requirements of modern business and finance for an adequate reserve and standard of value. It is, therefore, apparent that in order to provide an adequate metallic reserve to support our financial and credit structure and to provide a medium of international exchange, we must eventually resort to silver as a supplemental reserve. There is about $11,000,000,000 of silver in the entire world and the United States, Mexico, and Canada produce approximately 72 percent of the silver of the world, whereas we only produce a small part of the gold of the world.

So much for the supply of gold. The next factor that enters into the determination of its purchasing power is the demand factor. The demand for gold is first to supply a medium for international exchange. Many of the nations of the earth have heretofore used gold as a medium of international exchange. The fact that most of the gold supply is controlled by 2 or 3 nations has tremendously increased its demand on the part of the rest of the world. In addition to this, the fact that there are more than $100,000,000,000 of debts in the United States payable in gold of the present weight and fineness has tremendously increased the value of gold. After the United States demonetized silver the Supreme Court, in the case of Griswold against Hepburn, intimated that if a contract is payable in gold of the standard weight and fineness, payment could not be made in the lawful currency of the country but must be made in the requisite quantity of gold. Many creditors hastened to take advantage of this decision by writing into their contracts clauses that gave the creditor the option to demand payment in gold of the standard weight and fineness. Only a few weeks ago a decision was handed down by one of the high courts of England dealing with a contract made between a Belgian concern and an English company. The contract specified that payment must be made in gold of the standard weight and fineness. In construing this contract the English court held it unenforceable and decided that the debtor had a right to tender to the creditor the lawful currency of Great Britain. It is therefore doubtful, to my mind, whether or not the contracts and obligations in the United States made payable in gold of the present weight and fineness can be enforced as a matter of law. But, whether or not payment can be required legally and theoretically, this much is certain: As a practical proposition these contracts cannot be collected in gold for the obvious reason that the gold supply of the entire world is not sufficient to make payment. If the creditors should demand payment in gold, as the holders of United States currency recently demanded redemption in gold, we would be

confronted with the same situation, to wit, that no payments would be made.

For several years we have witnessed the increasing value of gold and paper currency redeemable in gold. The gold dollar has appreciated or increased in value at an average of 65 percent. In the case of cotton, corn, wheat, and many other commodities, it has increased in value considerably more than 65 percent. This increased value of gold and the paper currency based upon it, and the indebtedness payable in gold, have produced a most distressing and desperate situation in this country. As the value of gold and money increased, all commodities decreased in the same proportion until the owners of those commodities and the owners of the lands and factories that produced those commodities faced bankruptcy. But as gold and the paper currency based on it increased in value and purchasing power, all debts, with interest and fixed charges, increased in equal ratio until today the combined private and public debts of about 232 billions have increased in value to a sum in excess of 400 billions and must be paid with 6 times as much wheat, 5 times as much cotton, and many times the quantity of other commodities instead of 1 bushel of wheat, 1 pound of cotton, and so forth. This appreciation of gold and lawful currency and the consequent decrease of commodity prices have been observed by everyone for more than 2 years, but few people realized until recently the inadequacy of gold as a metallic reserve to support our currency and banking structure. The potential demand for gold has, of course, always been great on account of the debts, currency, and obligations payable in gold. But, so long as confidence prevailed, this potential demand did not produce any noticeable effect, but when confidence fled and when holders of currency and depositors in banks began to demand redemption in gold and currency the inadequacy of our currency and gold supply became painfully obvious. And may I say here that the soundness and stability of a monetary and currency system are tested during periods of strain and acute economic disturbances. If a system cannot function during such periods it is of little value. When, therefore, everyone demanded redemption we were compelled to take drastic steps by closing the banks and authorizing the issuance of money based upon notes, bonds, and commercial paper and not upon gold.

The banks had approximately $46,000,000,000 and only about 700 millions of currency in reserve to pay the depositors. The banks had about $1 in cash as reserve against each $14 in deposit. The inadequacy of this currency naturally inspired fear on the part of the depositors, and when this fear reached the point of a panic it resulted in the closing down of every bank in the United States.

For 2 years some of us have been urging the expansion of the currency as an absolute necessity. Our efforts were ridiculed and denounced and we were told that we were seeking to issue fiat money. At this point let me say that I have never been an advocate of fiat money. I realize that when the Government undertakes to arbitrarily issue large quantities of paper money the supply tends to become excessive and the paper money becomes valueless. This was the experience of France when she issued her assignats. This paper money became absolutely valueless and destroyed the financial stability of France. They became worthless by overissue. In December 1789 the Assembly of France decided to issue a series of notes or assignats of 100 livres each bearing interest at 5 percent. These notes were a part of the floating debt; not being legal tender they were not paper money. The first legal-tender issue was decreed in 1790, the amount authorized being 400 millions, part of which, however, was to be supplied in payment of the Government debt. These assignats bore interest at 3 percent; they were for sums of 200, 300, and 1,000 livres. From the very beginning they circulated at a discount of about 5 percent. In September 1790 a further issue of 800 millions was decreed, this time without interest. This issue was mere currency, and the whole issue was put on the same footing, interest on it ceasing in October. The total authorized issue was thus 12,000 millions. Necker had estimated the total stock of metal currency in France a few years before at 22,000 millions. In May, the discount being 15 percent, an issue of 100 millions in assignats of 5 livres was authorized in replacement of an equal amount of those of large denominations. By a decree of the 28th of June a further issue of 600 millions had been approved and these soon came to pass into circulation.

In the period of 2 years and 2 months, from the 1st of May 1789 to the 1st of July 1791, the public expenditure had amounted to 1,719 millions, of which no more than 740 millions had been met from revenue. The deficit was 250 millions and it was growing day by day. To meet this deficit there was no resource but paper money. No pretense was any longer made to set a final limit on the circulation. Each successive decree prescribed a limit, but there was no expectation that the limit would continue in operation and no surprise when it had to be raised. In November 1791 the assignat was still worth 82 percent of its face value, but the ever-growing inflation, aggravated by the approach of war, rapidly depressed it. War was definitely declared on Austria, April 1792. In July the assignats fell to 57. By the beginning of August a net circulation of 2,000 millions was authorized. In September the assignat stood at 72. In December 1792 it was worth 68.3. In January 1793 it fell to 51, and in June of that year it fell to 36. In August the the law of April enforcing the use of the assignats as a means of payment was strengthened. It became an offense to sell coin or to differentiate between coin and assignats in any transaction or to refuse payment in assignats, or to negotiate assignats at a discount. By a decree of the 8th of September the death penalty itself was imposed. The assignats finally became worthless.

The United States during the Revolutionary War resorted to the same expediency of issuing paper money. Our Colonies were ill-equipped to stand the strain of war finance. There was no adequate machinery of taxation, and so desperate a cause did not command the confidence of lenders, at any rate, before Saratoga. Individually and collectively the Colonies issued paper money.

The Continental Congress issued $200,000,000 of paper currency, and by 1780 the paper dollar had sunk to one fortieth of its value in silver. The success of the Americans had brought the help of France, Spain, and Holland, both military and financial. Congress took advantage of the consequent improvement of its credit to make an issue of 5-percent 5-year notes or bonds to be subscribed for in the depreciated paper money which was taken at not more than one twentieth of its value, and when received was destroyed. At least 72 millions of this paper money had been destroyed as worthless.

The United States, during the Civil War, issued inconvertible notes of 450 millions. In the last year of the war this paper money had depreciated more than 50 percent.

I mention this fact to show that when a nation embarks upon the policy of issuing purely fiat money it usually goes to the extreme, and the overissue destroys the value of the paper money. Of course, so long as the credit of the Government is good and so long as the issuance of paper money does not exceed the demand for it, it will circulate at par. But heretofore the world has found that the amount of paper currency issued should be tied to some metallic reserve in order to prevent an overissue. For many years this country, as well as the world at large, used gold and silver as a metallic reserve. In 1873 silver was demonetized, and afterward we used gold alone as a metallic reserve. There is no limit to the amount of paper money that can be issued by a government. All that the government needs is a printing press and paper, but there is a limit to the gold and silver supply. This limit is fixed by nature and cannot be artificially increased. Therefore, when paper currency is tied to gold or silver or both there is a definite limit to the quantity of paper currency that can be issued. Heretofore in the United States we have required each dollar of paper currency to be backed up with 40 percent of gold. Not only does a metallic reserve prevent the overissuance of currency but it likewise puts back of the currency issued a commodity that has an intrinsic value. The

holder of a dollar bill knows that it is good not only because the credit of the Government is good but because he can redeem it in a metallic reserve which has a definite value as a commodity. The very fact that there is a metallic reserve back of the currency issued is a guaranty that the credit of the Government will be preserved.

But when the metallic reserve and standard of value become inadequate, this prevents the issuance of an adequate currency to supply the needs of commerce and business. The Government is then compelled either to decrease the ratio of reserve, such as requiring 20 percent or 10 percent of gold for each dollar issued, or it must secure an additional reserve. When the ratio of reserve supporting the currency is decreased, confidence is shaken because the people instinctively realize that the Government is less likely to be able to redeem its paper currency with its metallic reserve. It is, therefore, clear to me that we must increase our metallic reserve by an enlarged use of silver. The most practical method of doing this is to authorize the Secretary of the Treasury to issue silver certificates against deposits of silver bullion at the market price of silver when deposited, payable on demand in such quantities of silver bullion as will equal in value at the date of presentation the number of dollars expressed on the face of the notes at the market price of silver. This was proposed by the Secretary of the Treasury Windom in 1889. He urged that this would give the country—

> A paper currency not subject to undue or arbitrary inflation or contraction nor to fluctuating values, as good as gold, an absolutely sound and perfectly convenient currency to meet the wants of those who desire a larger volume of circulation and not encounter the opposition of those who deprecate inflation.

The broadening of the base of our monetary system and the increase of our metallic reserve by the use of silver will not only give us sounder money and a larger quantity of sounder money but it will also raise the world price of silver and enable us to sell our products to silver-using countries. One billion five hundred million people of the earth use silver. On account of the abnormally low price of silver, which is now about 25 cents per ounce, they are unable to do business with us, because in order to buy our products they must exchange 4 of their silver dollars for 1 of our dollars. This makes our products so expensive that they cannot afford to buy from us and are compelled to do business with silver-using countries.

In 1928 China, with 60-cent silver, purchased $137,000,000 worth of goods, and in 1932, with 30-cent silver, purchased $56,000,000 worth of goods. This is a falling off of $81,000,000. If the price of silver is returned to 60 cents, there is every reason to believe that we would again sell to China $137,000,000 worth of goods. China is only one user of silver. In 1928 a Chinese having 1,000 ounces of silver could exchange it for $600 in gold, and with this $600 buy a $600 American automobile. Today a Chinese wishing to buy a $600 American automobile would have to accumulate more than 2,000 ounces of silver. The consequence is that China does not buy automobiles from the United States. China has always been an important market for the surplus products of America. Our exports to China in 10 years increased 300 percent. When, however, the price of silver fell, our exports to China also fell; and if the price of silver continues to remain where it is, we will soon lose the Chinese trade. What is true of China is true of all other silver-using countries. It means that our natural markets for the future, such as China, India, Japan, Central and South America, and Mexico will be absolutely closed to our export trade. On account of the billions of dollars due us from Europe and on account of our relationship, owing to the postwar developments, there is little probability that the markets of Europe will be open to us to any considerable extent during the next generation. Our hope, therefore, lies in the restoration of trade relationship with the silver-using countries just mentioned, and to accomplish this we must raise the price of silver.

The question is naturally asked, What lowered the price of silver? We know that prior to a few years ago the price of silver had remained stable for many decades, even after Europe and the United States went on the gold standard and demonetized silver.

The price of silver was lowered because Great Britain, France, and Belgium, between 1925 and the present time, commenced to debase their silver coins by taking out approximately half of the silver metal and selling the silver so derived on the market of the world. This greatly increased the normal supply and had the natural effect of lowering the market price of silver. Then in 1928 the Government of India commenced to put in effect the policy that it had adopted in 1926 of melting up silver rupee coins and disposing of the silver on the markets of the world. Such sales have averaged about 30,000,000 ounces of silver a year. This constitutes an enormous oversupply when we consider that the total production of silver from the mines throughout the world last year was only 182,000,000 ounces of silver and that the average production even in prosperous times is only about 240,000,000 ounces. The Government for India is still selling silver and will continue to do so in accordance with her economic plan until she has disposed of the 3,000,000 or 4,000,000 ounces of accumulated silver now owned by her.

Let it be remembered that the depressed price of silver is not due to an overproduction of silver mines. For years the mine production of silver throughout the world has been uniform, with only such slight average increase as would meet the increased demand by reason of growth of population and industry. The very fact that silver is produced as the byproduct of copper, lead, and other minerals guarantees us against any overproduction of silver.

The testimony before our committee has convinced me that if we should purchase silver bullion and issue silver certificates as above suggested, we would not secure more than 1,500,000,000 ounces of silver. There is no danger, therefore, that we would secure an oversupply of silver, but there is some doubt as to whether or not we would secure a sufficient quantity. But I am convinced that if we were to remove from the market even as much as 500,000,000 ounces, the price of silver would rise to 75 cents an ounce. This would offset the depressing effect of the price of silver caused by dumping it on the market by India, Great Britain, France, and Belgium.

When the price of silver is raised to 60 or 75 cents we will be able to sell our surplus agricultural, mining, and manufacturing products to the millions of silver-using people. Not only would we be able to accomplish this salutary result, but we would be able to increase our metallic reserve, broaden the base of our currency, and we would put into circulation a needed quantity of silver certificates that could not be drawn in by the Federal Reserve Board at will. The increase in the quantity of our money would tend to increase many commodity prices. Although I do not intend to enter into a discussion of the quantitative theory of money as affecting commodity prices, I think that this much is true: The increase in the quantity of money in a nation, other things being the same, will result eventually, if not at once, in a corresponding increase in the prices of many commodities. Of course, the increased quantity of money must be put in circulation in order for it to cause commodity prices to rise. The mere fact that the Government delivers to the banks billions of dollars of new currency will not necessarily cause commodity prices to rise unless the banks in turn put the money in the hands of the masses of the people. If the bankers hoard the money in their vaults, then it will have little or no effect upon commodity prices, although the knowledge that the banks have sufficient money to meet the demands of the depositors may prevent runs on the banks and keep them open.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. ARNOLD. As I understand the gentleman's thought, it is to purchase silver to be used as a base for currency.

Mr. DIES. The gentleman is correct.

Mr. ARNOLD. Does not the gentleman think that under the recent bank act that was passed there is unlimited op-

portunity for the issuance of new currency on Government securities and other commercial securities?

Mr. DIES. Let me answer the gentleman in this way: The quantity of money will not necessarily affect commodity prices unless that money is put into circulation. The mere fact that we authorize the Federal Reserve banks to issue currency and to deliver that currency to the local banks to enable them to meet any runs does not imply or necessarily mean that those banks are going to put that money into circulation as long as the present timidity prevails among the bankers and as long as they continue to hoard all the money that comes into their possession. Any plan which omits the essential element of putting the money into the hands of the masses of the people in order to increase their purchasing power falls short of the desired object, although it may prove beneficial in many other instances.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. BANKHEAD. If the gentleman will permit me, if it does not interrupt him, I may say that one of the very objectives to be achieved by the remonetization of silver is to expand the purchasing power of our foreign customers.

Mr. DIES. The gentleman is correct.

Mr. BANKHEAD. The mere fact that the Government of the United States, in order to meet a temporary emergency, enlarges the volume of its currency in no wise tends to effect the situation we are seeking to accomplish.

Mr. SHALLENBERGER. Does the gentleman's bill propose to treat silver as money or as a commodity?

Mr. DIES. Silver will be a part of the reserves in the Treasury.

Mr. SHALLENBERGER. Are the certificates issued on silver to be payable in gold?

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. HILL of Alabama). Is there objection to the request of the gentleman from Texas?

There was none.

Mr. SHALLENBERGER. I would like for the gentleman to tell the House whether under his plan the redemption of the certificates which must be issued is to be in gold, the same as all other money is supposed to be redeemable in gold, although the gentleman has previously said that if we now demand gold redemption we are met with the charge that we are guilty of a felony. If we are going to redeem the silver certificates in gold, the same as all other certificates, we are not going to raise the price of commodities.

Mr. DIES. They will be redeemable in silver bullion. Let me hasten to a conclusion.

Mr. Speaker, I introduced a bill yesterday, H.R. 3373, to authorize the Secretary of Commerce, through his foreign agents, to obtain options from foreign buyers to deliver to them in 1933 the cotton and wheat crops, or such portions thereof as may be agreed upon, at the world-market price, and accept in payment for same silver bullion or coin at the agreed value of 75 cents per fine ounce. After a sufficient number of said option contracts have been executed, and as soon as it is deemed advisable, the bill provides that the Secretary of Commerce shall notify the Secretary of Agriculture that option contracts have been entered into with foreign buyers, and he shall request the Secretary of Agriculture to purchase the said 1933 cotton and wheat crops, or such portions thereof as may be necessary, from American producers for the purpose of making delivery to the foreign buyers in accordance with the terms of the said option contracts. The Secretary of Agriculture is required to purchase said crops, or such portions thereof as may be necessary, to fulfill the option contracts, and to enter into contracts with said American producers to pay for such cotton and wheat at 3 times the world-market price with silver certificates to be issued against the silver bullion or coin received from foreign buyers in payment of the cotton and wheat sold. These silver certificates shall be legal tender in payment of all debts and dues, and shall be redeemable in silver bullion equivalent, when valued in gold, to the face value of the certificate.

This bill will enable us to dispose of our surplus cotton and wheat crops, because silver-using countries will be only too glad to get 75 cents an ounce for their silver in exchange for the cotton and wheat which they need. When a substantial quantity of the silver bullion is removed from the world market and put in the Treasury of the United States, it will raise the price of silver to its former level and increase the purchasing power of all silver-using countries. It will give the United States Treasury an additional metallic reserve, and it will put into the hands of millions of producers a great purchasing power which will start the wheels of industry moving and put many of our people to work. The fact that silver is bound to rise in value will keep the Government from losing in the transaction. It will remove from the American market the great surplus of wheat and cotton that is depressing the price and it will put into the hands of millions of producers a purchasing power that will restore prosperity. The silver can be valued, if it be deemed advisable, at 50 cents, and the farmer can be paid double the present market price of his cotton and wheat. But I fixed the price of silver bullion at 75 cents and the price of cotton and wheat at three times the present market price. This bill will accomplish what many of the bills fail to do—it will dispose of our agricultural surplus, put the new money in circulation, and raise the price of silver.

Mr. Speaker, why not be frank with the American people? The Government is broke, the municipal and State governments are broke, and the farmers can not possibly pay out because they would have to return 6 bushels of wheat instead of 1 bushel that they got, or 5 pounds of cotton instead of 1, and there is not a farmer in this country that can possibly liquidate his indebtedness unless the normal purchasing power of the dollar is restored.

Mr. STRONG of Texas. Will the gentleman allow me to ask him a question?

Mr. DIES. Yes, sir.

Mr. STRONG of Texas. The gentleman says that money should be based on some metal; if money can be based on a certain metal and be good, why would it not be good based on the entire resources of the Nation?

Mr. DIES. I will say to the gentleman that so far as money is concerned, as long as the credit of the Government is good, of course, the Government can issue money——

Mr. STRONG of Texas. I am not talking about credit; I am talking about money.

Mr. DIES. I am going to get to the gentleman's question. As long as the credit of the Government is good, of course, the money of the Government is likewise good. You can issue money as long as the supply is not too great and as long as the promise of the Government to redeem or to make good its promise is sufficient to back it up; but the danger, I will say to the gentleman from Texas, is this: Suppose the gentleman and I were running for Congress and the Congress had a right to issue as much money as the country needs. We are opponents, we assume. I might say, "Friends, I think you should have $50 per capita." The gentleman would go me one better and say, "Friends, I think you should have $100 per capita." And it would not be long until the whole Nation would be flooded with money, and none of it would be of any value.

Mr. MONTET. Will the gentleman yield?

Mr. DIES. Yes.

Mr. MONTET. I would like to draw the gentleman's attention to one angle of this question which I believe is of material importance in the consideration of remonetization of silver. I am sure the gentleman has given thought to it. I want to know the gentleman's opinion as to what would be the effect of the remonetization of silver in this country on the cost of production of goods in foreign silver-using countries and what benefits, if any, as a result thereof the producers would receive.

Mr. DIES. It would increase, of course, the cost of production abroad, because when the purchasing power of their

money is increased the cost of production would increase, and they could not flood us with the products of depreciated currency.

[Here the gavel fell.]

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. SHANNON. Reserving the right to object, I would like to make a parliamentary inquiry; in fact, it is a legislative inquiry. The situation confronting the people at this time is a financial situation. The Senate yesterday passed a bill that had to do with State banking. I would like to have someone tell me what became of the bill and what is its status at present.

Mr. DIES. Is the gentleman addressing that to me as one of the leaders? [Laughter.]

Mr. SHANNON. No; I am addressing the Speaker.

The SPEAKER pro tempore. The House has no knowledge of that bill; the bill has not come over.

Mr. SHANNON. The House took notice of it yesterday and stood in recess for the purpose of receiving it.

Mr. BYRNS. Mr. Speaker, I think I can clear up the situation. Before the House met this morning, I communicated with the majority leader of the Senate, who told me that he had been requested not to have the bill sent over today. Who made the request or why it was made, I can not say.

Mr. SHANNON. Then the time of the House was wasted?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio that the time of the gentleman from Texas be extended 5 minutes.

Mr. GAVAGAN. Reserving the right to object, I should like to inquire what is the subject before the House?

The SPEAKER pro tempore. We are proceeding by unanimous consent.

Mr. CROWTHER. Reserving the right to object, I move to amend the request of the gentleman from Ohio by making it 55 minutes.

Mr. DIES. Oh, I object to that. [Laughter.]

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DIES. Mr. Speaker, I hope that we will have the opportunity during this session or the next session to act on the silver bill. [Applause.] Some of the bankers are shouting that this would be fiat money and that this would destroy the financial structure of the country, yet the same bankers will approve the Emergency Banking Act that we adopted a few days ago, which permits the Federal Reserve banks to issue billions of dollars of new currency based upon notes, bonds, and commercial paper. Permit me to say at this point that I have a tremendous respect for the Membership of this House. I have no sympathy for the demagogues who travel around the country and talk about what a mediocre crowd we have in Congress.

The men with whom I have associated in this House are thoughtful, patriotic men, who love their country, and I know that they have worked in every possible way to solve the problems of the Nation. I have no sympathy for the penny newspaper scribe who has nothing to do except to fill the columns of his paper with scurrilous and unfounded attacks upon the Membership of this House. They seek to make the people believe that we get free food and free shaves at the expense of the taxpayers, when, as a matter of fact, everyone knows that we pay more for our food, and as much for our shaves in the Capitol as you do anywhere else. As far as I am concerned, I sincerely hope that the Congress will shut the restaurant and barber shops down in the Capitol. This would at least deprive the newspaper writers of their favorite pastime of sending out stories about our so-called "free shaves and free dinners" at noon, and I also want to say to some of the bankers of this country that if they would devote as much time and thought to the banking and money situation as some of the Members of this House that I know of, and would approach the question not with a prejudicial mind but with an open mind, we would be able to solve the problems in a manner that would be constructive and helpful to the American people.

It is said that the price of gold is not influenced by the supply and demand, but the history of the world disproves this contention. The amount of the precious metals in the world was very small prior to the discovery of America in 1492. The stock, especially of silver, was materially increased by the production of the mines of Mexico and Spanish America during the sixteenth and seventeenth centuries. This increase in the supply of the precious metals met, to a certain extent, the demand for metallic money, but it was insufficient in comparison with the large fund of gold placed at the command of the world after the discovery of the mines of California and Australia about 1850. This large production of gold slackened somewhat after 1875 while the production of silver increased, but there was another great revival in the production of gold after the opening of the mines of South Africa and the Klondike about 1890.

From the first discovery to the close of 1897 the Australian and Californian mines produced gold to the amount of nearly 2,000,000,000, and the next 5 years added another sum of 375 million. In this volume of production Australia ran an almost even race with the United States. These two countries enjoyed unchallenged supremacy until some time after the development of the mines of South Africa, about 1889. The production increased rapidly every year until in 1896 the production of Africa surpassed that of Australia and in the next year that of the United States as well. The volume of gold production averaged considerably less than $5,000,000 annually from the discovery of America to the close of the sixteenth century and advanced during the next century to an average of only about $6,000,000. The eighteenth century showed an increased volume of production which carried the annual average up to about 12,500,000. In spite of an increased product of the Ural Mountains, the gold production of the first 40 years of the nineteenth century gradually declined and fell from the average to about 10,600,000.

Then came the great outburst of mining activities which followed the opening of the Californian and Australian mines. For the next generation, from 1841 to 1870, the gold production of the world was merely three thousand millions of dollars, and the average annual production was multiplied by more than 10. This annual average was maintained from 1870 to 1890, but with a tendency downward toward the close of the period. In spite of the permanent additions made to the stock between 1850 and 1870, the generation beginning with 1871 witnessed a production of gold nearly equal to the entire product of the preceding 380 years.

The production of silver since the discovery of America has been more evenly distributed than that of gold. The silver production down to 1840 was almost continuously larger than the gold and constituted more than two thirds of the value of the combined production of the two metals. New gold discovery greatly changed this ratio. For the 30 years ending with 1870 the gold produced was nearly three fourths of the total value of the aggregate production of the precious metals. Twice as much silver as gold was produced during the eighteenth century and the early years of the nineteenth, while during the 30 years beginning with 1841, three times as much gold as silver was produced. For the next 30 years the production of one metal was almost exactly as that of the other.

My distinguished and able colleague, Mr. CROSS, of Texas, who has devoted exhaustive study to the question, has just stated that, taking a period of the last 26 years, the facts show that during the last 13 years gold production has fallen off tremendously as compared with the first 13 years. The production of gold is therefore being exhausted, and it is merely speculation to discuss the question as to whether or not any new gold mines will be discovered in the immediate future. We must remember that there are three directions in which the stock of gold has been absorbed—in the arts, abrasion of coin and plate, and hoarding. The abrasion of gold coin is much smaller than has generally been supposed.

Careful calculations by Jevons put the loss about four tenths in 10,000. But even on this basis Soetberr felt justified in the conclusion that the loss by abrasion on the total monetary stock in his time, when this stock was about $4,000,000,000, was not more than 700 or 800 kilograms of gold per year, which would be about $500,000. The other sources of disappearance of the gold stock from civilized States is the exportation of coin and bullion to the East. India has from remote times absorbed the precious metals. Pliny, who died 79 A.D., complained that India drew from the Roman Empire not less than 5,000,000 sesterces per year, about $2,500,000. The excess of exports of gold into British India from 1836 to 1904 was nearly $900,000,000.

The 10 years ending with 1890 added only about $450,000,000 to the available monetary stock of gold, to be scrambled for by many nations which were expanding their commerce and seeking to strengthen the bases of their monetary system. This scarcity of falling prices led to fears of falling prices of commodities and a strong agitation for reopening the mints of civilized States to the free coinage of silver. But the production of gold during the 10 years ending with 1902 was more than the production of the entire 10 years preceding. Where this amount had been $450,000,000 for the 10 years ending with 1892, it swelled during the next 10 years to not less than $1,500,000,000, or nearly 40 percent of the entire stock of gold money in existence in 1893. This, of course, put an end for the time being to the agitation for the remonetization of silver.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. DISNEY. Has he given thought to the manner of devaluating the gold content?

Mr. DIES. I have given some thought to it, and I have introduced a bill along that line.

If Congress refuses to broaden the base of our money and to increase our metallic reserve by a more enlarged use of silver and if our issuance of new money does not succeed in restoring the normal purchasing power of the American dollar as it existed in 1926, there is nothing else for us to do except to reduce the gold contents of the dollar at least 33⅓ percent and impose a Federal tax on every contract or obligation payable in gold coin to the extent of 33⅓ percent. This would scale down the enormous and staggering indebtedness under which this Nation is laboring. And if we had the courage to do that and to face the situation fearlessly we would go a long way toward finding a solution of the difficulties which confront us today. The reduction in the weight and fineness of metallic money is no new experiment. It was resorted to by Rome after the Punic Wars, when she reduced the weight and fineness of her monetary unit. It brought instant relief to the bankrupt people of Rome. For many years debasements were regarded as a device for improving the difficulties caused by the persistent rise in the price of silver. Until the discovery of America there was no fresh supply from the world's mines. The use of a standard of value which is perpetually appreciating or increasing in value hampers business. It increases the burden of debts, and if money wages cannot be reduced with the rise in the purchasing power of money, it increases the cost of production. The rise of real wages may not even be in the interest of the wage earners themselves, if it diminishes employment. So long as these conditions obtain, the tendency was to acquiesce in a depreciation, once it was an accomplished fact, and to scale down prices and wages in relation to silver, by means of a debasement, when there was an excessive outflow of money. Practically all the countries of Europe, at various times, reduced the weight and fineness of their monetary unit. But when an adequate supply of precious metals was produced by the discovery of new mines, the nations ceased to resort to this drastic method.

The monetary unit is used to measure debts. The purpose of fixing its value is to preserve justice as between debtor and creditor. The stability of the unit in which bargains are calculated is of the highest importance. What the lender of money consents to defer in his consumption of commodities and what he should receive back is the same command over consumable commodities as he surrendered. If he receives more, the debtor is cheated. If he receives less, the creditor is cheated. Although 90 percent of business transactions are carried on through the machinery of credit, yet ultimately the credit-and-currency structure rests on gold as the base. When this base becomes insufficient ultimately the superstructure will crumble. What is desired is to establish a more stable unit for the measurement of debts.

The SPEAKER. The time of the gentleman from Texas has again expired.

[Applause.]

Mr. HOLMES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a short editorial upon the question of silver.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOLMES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial from the Worcester Telegram, of Worcester, Mass.:

[From the Worcester Telegram, Mar. 14, 1933]

ANOTHER SILVER-PURCHASE ACT

With an optimism that would do credit to a dog chasing its own tail, Senator DILL, of Washington, introduces another silver-purchase act to Congress. Supported by such devout believers in an economic Santa Claus as Senators PITTMAN, of Nevada, and WHEELER, of Montana, he would have the Government buy $250,000,000 worth of silver bullion and issue certificates against it. And since these three Senators are Democrats it is too bad that Grover Cleveland, who also was a Democrat, isn't alive to tell them about their bill.

Senator DILL says that the purchase of silver by the Government would increase the price of silver, so the Government's bullion would go up in value. One envisions thus a long chain of increases; loose silver would increase in value until the certificates would become worth more, when the Government could buy more silver and it again would increase in value and everybody would sell his silver baby-spoon and become rich and buy himself a solid-gold snowshovel with a diamond-studded handle.

Unfortunately something like that was tried once before—in 1890. We had a silver-purchase act and the Government was compelled to buy $4,500,000 worth of silver a month. It kept on buying silver through the remainder of the Harrison administration and into the Cleveland administration. Mr. Cleveland finally told off Congress and the bill was repealed. It was time, too, because silver had not increased in value but had decreased. Marginal silver mines reopened everywhere. Even India, which had been hoarding silver with gluttonous perseverance for 2 or 3 millenniums, finally got enough. The National Treasury got so much more than enough that President Cleveland found himself in a good-sized financial panic.

Senator DILL may say that conditions today are different. Perhaps they are in detail, but the same old law of supply and demand works with inexorable cruelty to the optimists. Senator PITTMAN'S home State of Nevada has plenty of abandoned silver mines that could be reopened and would be reopened the minute silver began to advance. Their reopening would shoot silver down again. And meantime we would be a Nation baffled by two kinds of currency, one dear, the other cheap; one of steady value, the other fluctuating like a March thermometer; one of international acceptability, the other suitable only in such lands of fiscal chaos as China—in other words, one good and one bad.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DINGELL. Mr. Speaker and Members of the House, this is my first opportunity to address you on a question of vital importance which has been discussed here more or less in the last few days. I am hopeful that my colleague from Michigan, the Hon. PRENTISS BROWN, who made his connection with the Banking and Currency Committee, will take some of my remarks to heart. I have been an ardent advocate of the guaranty of bank deposits for many years. My knowledge of that subject was gained by reading the exposition of Senator John Sharp Williams, one of the South's foremost and brilliant sons. Since 1922 I have been definitely sold on the wisdom and soundness of a guaranty of bank deposits law. We have had a few instances where laws of this kind were perhaps too good; in fact, they were so good as to spell the doom of the State law itself, but that is due to the fact that we were applying

the principle in a State way, and it did not work out quite as satisfactorily as it might have otherwise. There is only one definite, positive, and certain way of applying the law of guaranty of deposits, and that is in a Federal way. In recent weeks I have had considerable discussion about this matter with bankers who for many years past have always opposed any such law. Within the last few days I have received any number of telegraphic communications, among them one which represented the views of 377 bankers, who met at Grand Rapids, Mich., and in that communication they urged a guaranty of bank deposits law. I want to make one point clear. In espousing a law of this kind, federally, that I am opposed to levying any part of the cost of guaranteeing bank deposits against depositors. Certain bankers are now agreed that the law is all right, in fact, very desirable; and some believe that without it the banking system of America is completely ruined.

They would like to have it in such way that the borrower and the depositor would pay the cost of the insurance. There is one party in this proposed law that must be excluded from carrying any of the load, or any of the costs of the insurance feature, and that is the depositor, who makes it possible for the banker to be in the loaning business. We must of necessity place the weight upon the shoulders of the borrower, for whose convenience the bank has been established, and upon the shoulders of the banking fraternity. The business must carry the cost of administration and of the insurance to the depositors. Personally I am not agreed that this is the time for the average Member of Congress to take very much advice on the subject from the bankers, who made such a miserable failure of their own business because they lacked the vision and the ability to conduct their own affairs.

Mr. McFARLANE. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. McFARLANE. Does the gentleman think that the depositor should take care of all that expense?

Mr. DINGELL. I specifically stated that the depositor should be excluded from any expense whatsoever in connection with the guaranty law.

Mr. McFARLANE. Does the gentleman think the Constitution of the United States should prevail, wherein it says that the Government of the United States should coin and regulate the value of money?

Mr. DINGELL. I am not discussing the value of money in this instance. I am not interested in that specific question at this time. I am merely trying to expound a theory of guaranteed bank deposits, having no relative connection with money values at all but having a definite connection with the preservation of our banking system, which had completely disintegrated at a time when we needed it most.

Mr. DISNEY. Will the gentleman yield?

Mr. DINGELL. Yes; I yield.

Mr. DISNEY. Did you have a bank-guaranty law in Michigan?

Mr. DINGELL. No; unfortunately we did not. In fact, Michigan was too liberal with its laws. We permitted a tremendous combine of bankers to get together in Michigan, and far-sighted individuals within the city of Detroit predicted that if ever one of these giants of finance collapsed it would submerge the entire State; and the inevitable has happened. To-day Michigan is on the verge of financial bankruptcy because of the tragic loss of the two big banks, the combined resources of which totaled approximately $700,000,000.

Mr. DISNEY. Was that not because they were full of real-estate mortgages?

Mr. DINGELL. Full of real-estate mortgages and spurious securities.

Mr. DISNEY. Has the gentleman made a study of the cause of the failure of bank guaranty laws in other States? We had such a law in Oklahoma, and it failed. I wondered if the gentleman had made any study of the principle of banking with regard to guaranteeing deposits.

Mr. DINGELL. I have studied two in particular. The Nebraska law was so good that the people of other States flooded the State with money to such an extent that Nebraska banks could not reloan all the money that was coming their way; and, as I recall, the failure of the Oklahoma law was due in part to the fact that Oklahoma had to compete against the banks of the surrounding States which had no such law. This condition was a handicap to the banks of Oklahoma.

Mr. DISNEY. It came to be a political football, and every political party wanted to connect somewhere with the banking system. It was not the principle involved in banking that caused its failure.

Mr. DINGELL. The principle of the law was correct. That is precisely my contention.

Mr. BOILEAU. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. BOILEAU. I am in accord with the gentleman's ideas generally, but I am wondering how the gentleman would apply such a law at the present time. Would the gentleman include only those banks that are particularly sound or would he take in banks on the borderline? Would the gentleman include State banks as well as National banks? It is rather difficult to see how it could be applied at the present time.

Mr. DINGELL. It is my idea, Mr. Speaker, that it is entirely possible to take in, within the provisions of the new law, a bill which I understand is now in the Senate, and for that reason I have withheld introducing any bill dealing with this important subject, all banks that are 100 percent solvent, and only protecting the deposits from now on. The banking situation at the present time is such that while we are going to reopen a number of banks in the United States, it will just be like pouring so much sand into a hole, insofar as the financial assistance which the Government can give these banks at the present time is concerned. People will not put more money into the banks without ample guaranties. They will not accept assurances that their money is safe from now on, because they have been assured in a like manner in the past. Their money was safe in the past—"until." We are confronted with the same situation from now on. It is absolutely essential to the survival of our banking system that we reawaken confidence in our banking system, and there is only one definite, positive, and substantial way of doing so, and that is by a guaranty of bank deposit law.

Mr. LEHR. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. LEHR. Does the gentleman's idea go to the extent of guaranteeing deposits 100 percent, or is it a fractional percentage?

Mr. DINGELL. My idea is to guarantee every dollar put in by the depositor from now on and to make the banker and the borrower pay the cost.

Mr. KLOEB. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. KLOEB. The gentleman takes the position that the depositors should not be assessed?

Mr. DINGELL. Under no circumstances should the depositor be assessed.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

Mr. DINGELL. Mr. Speaker, may I ask unanimous consent to proceed for 5 additional minutes?

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. DINGELL]?

There was no objection.

Mr. KLOEB. Assuming that an assessment is made upon the bankers, how are we going to prevent that from sifting down to the depositors? In other words, the burden will eventually be placed upon the depositors, will it not?

Mr. DINGELL. In the final analysis the depositor, like the ultimate consumer, always pays the fiddler, but I think that in principle, at least, the load should be borne by the man who borrows the money, who uses the bank as a matter of convenience, and by the banker and the banking fraternity as a whole.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. McFARLANE. We had a bank deposit guarantee law in Texas from 1903 until 1929, but we had to repeal it primarily due to the fact that we had so many weak banks the law could not function. How would the gentleman prevent such a situation recurring?

Mr. DINGELL. There is no way in the world for anyone to prevent the weak structure of the bank system in Texas but through the people of Texas themselves.

The question of the guaranty of bank deposits is just as fundamental in character and is just as certain to come as the matter of life insurance. There is no risk greater than the risk on a man's life, yet it was found possible to outline a definite, workable plan under which lives may be insured; and it is just as important that we insure bank deposits, and it is not only possible to do that but it is the essential need of the hour.

Mr. McFARLANE. Will the gentleman yield further?

Mr. DINGELL. Certainly.

Mr. McFARLANE. We in Texas are heartily in favor of a bank guaranty law, and I think 100 percent in favor of guaranteeing savings deposits; but I just wanted to recall to the gentleman's attention our experience in Texas, that he may check it with experiences other States of the Union have had along the same lines.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. KELLER. Is not banking entirely a national matter?

Mr. DINGELL. It should be.

Mr. KELLER. Basically speaking, is it not a national matter?

Mr. DINGELL. No; it is not. The Federal Reserve System is a national system, but we have at least 48 different kinds of bank laws in the 48 different States of the Union.

Mr. KELLER. But, speaking of banking in general, is it not a national matter?

Mr. DINGELL. I would say so.

Mr. KELLER. Consequently, is it not the duty of the Nation to arrange for the guaranty of deposits and the duty of the banks to supply the necessary funds to guarantee them?

Mr. DINGELL. Most emphatically, yes; if we hope to maintain and preserve our present banking structure.

Mr. KELLER. I agree with the gentleman.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. Certainly.

Mr. ZIONCHECK. Under the gentleman's plan, will the Government participate in the profit as well as in the losses?

Mr. DINGELL. In my estimation, the Government should not take any profit, nor should it be made to pay any losses. I think if the Federal Government gets the plan started and administers it that that is as far as the Federal Government should go. In my estimation, this thing should be purely an insurance corporation under the jurisdiction of the Secretary of the Treasury with a sufficient revolving fund.

Mr. KELLER. I should like to know if you gentlemen have read the hearings on this very subject during the last session of Congress. If not, I am suggesting to you that you get them, because a lot of the questions we are discussing here were thoroughly well answered in those hearings, and especially in the debates on the floor of the House when the Steagall bank guarantee bill came up. And, remember, that bill was passed by the House, but it did not pass the Senate. I suggest that you gentlemen look them up, because you will find a great deal of information on the subject.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield further?

Mr. DINGELL. I yield.

Mr. ZIONCHECK. Do I understand that it is the gentleman's thought that the Democratic guaranty will be merely the psychological effect of the Government's getting behind the banks to meet the fears of the people until banking becomes normal again?

Mr. DINGELL. No, no. The plan that is before the Senate at the present time, as I understand it, is a definite plan in itself, and for this purpose creates a pool of a billion dollars, the cost of maintenance and administration to be assessed against the bankers whose depositors are protected by this fund. However, it will be without any cost to the Government whatsoever.

Mr. KELLER. Mr. Speaker, will the gentleman yield for a further question?

Mr. DINGELL. I yield.

Mr. KELLER. Is the gentleman aware of the fact that the Federal Reserve System has already provided a tremendous fund along this line?

Mr. DINGELL. Yes; I am.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein the very able and timely address delivered by the Speaker of the House on Monday evening over the National Broadcasting System on the subject, "Problems Ahead of the President and the Congress."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Under leave granted me, I insert herein the very able and timely address of the Speaker of the House, Hon. HENRY T. RAINEY, delivered over the National Broadcasting System, Washington, D.C., on Monday evening, March 13, 1933, on the subject: Problems Ahead of the President and the Congress.

The problems ahead of the President and the Congress in this extra session look serious indeed. We will be compelled in a few days to refund almost a billion dollars' worth of Government obligations, and we have only about $50,000,000 in the Treasury and we have considerably less than $50,000,000 in the entire Federal Reserve System. Today the Federal Government is running behind at the rate of six or seven thousand dollars a minute, and our Federal deficit is again assuming enormous proportions in spite of the new and irritating taxes imposed earlier in the year.

There are ten or twelve million unemployed, and the buying power of farmers and of others has been practically destroyed. Our factories are idle. Our foreign trade has fallen off alarmingly. The receipts of the Government from all possible sources have decreased 40 or 50 percent.

The situation looks gloomy, indeed, but we have already taken, under the present administration, the initial steps which look toward a complete economic recovery in the near future, and the banks of the country have been saved. It was necessary to invoke a war measure of the Wilson administration to accomplish this result. Today all over the United States banks have commenced to open again under close Government supervision. It will probably require some days of time to get all the banks reopened which are in condition to function.

The job undertaken by the Treasury Department seems stupendous, but it is rapidly proceeding. The Budget must be balanced this year, and we are going to balance it without resorting to additional irritating taxes. The people of this country have been taxed all they are willing to stand, and they have been patient and long-suffering.

Day before yesterday the Congress of the United States by an enormous majority took the first steps toward balancing the Budget without additional taxes. We turned over to the President the right to drastically cut the expenses of the Federal Government, including in the cut the pensions and compensations paid to veterans of all our wars. It is hoped that these reductions will be temporary.

We must first put our national house in order. We must first reestablish our complete solvency before business can move in its normal way. The encouraging thing about it all is the patience with which the people of the United States have stood their sufferings and have remained loyal to the Government, and today all over the United States citizens of all parties are standing solidly back of the President.

The present session of Congress will be historic. It is more important even than the war sessions. It was easy during the war period to stand back of the President when flags were flying and bands were playing and when our armies were proceeding across the seas to engage in battle on foreign soil. But we are engaged in a war now more serious than the World War. During the entire period of our history as a Nation we have won our battles always when they involved a clash of armed forces on land or sea. We can always assemble when we are threatened by foreign foes great armies in remarkably short periods of time. There are more fighting men of the white race in the United States than in any other country in the world.

It requires greater courage to fight the war in which we are now engaged, but the people of the United States are rising to the emergency and with a united front we will in the near future win the economic battles in which we are now engaged.

With a balanced Budget assured, it will be easy to meet with new bond issues and new note issues at reasonable interest rates the obligations which will soon be due. When the upward curve of business again commences—and this will happen soon—a complete recovery is not far away. It requires a little more patience and a vigorous support of the administration, and our troubles are over, and our fight against the depression will be won, and we will soon reap the rewards of victory.

The session of Congress last Saturday will go down in history. I remember well the stormy night, nearly 16 years ago now, when, after a debate which lasted all day and until 3 o'clock in the morning of April 17, the House voted to declare war against Imperial Germany. But the session of last Saturday was as tense, as full of thrilling interest, as the war session of 16 years ago. The galleries were crowded, as they were then. The debate was as intense as the war debate; and at the end of it all, by a vote of over 2 to 1, the Members of Congress of all parties voted to reduce their own salaries and to reduce the salaries of all Federal employees. They voted to reduce the compensation and pensions of the veterans of all our wars, and the House conferred upon the President of the United States the authority to reduce within certain limits salaries and the veterans' payments. It may mean a total decrease in the cost of government of $500,000,000. When I came to Congress first, 30 years ago, it did not require much more money than this to run the Federal Government for 1 year.

Tomorrow we expect to pass the bill legalizing beer and to take away from the bootleggers a large part of the profits they now enjoy, and turn it into the Treasury of the United States.

In the near future, and before the adjournment of the present session, we are going to take care of the farmers and restore to them the buying power which they must have in order to start again the industries of this country.

It will not be long until our factories and our mines and our farms will again be operating. Through the dark clouds which have enveloped us in recent months, the sun has already commenced to shine. Better, happier, and more prosperous days are just ahead of us.

All over the country banks are reopening, and the fact that certain banks are reopening today or during the rest of this week does not mean that the banks which do not open are not sound. It is a tremendous undertaking for the Treasury Department to examine and check up on all the banks in the United States. The only authority the Federal Government has over State banks is to close them; but as rapidly as the banking departments of States report that State banks are ready to resume operations, the closing orders will be immediately removed.

There are many banks throughout the country whose assets depend in large part upon farm mortgages, and, of course, just at the present time and until we can restore the buying power of farmers and thereby restore value to our farms, this class of securities is not liquid, and a considerable period of time may elapse before many of the small banks in the farming sections are in a position to resume business, and the mere fact that it takes a few days in order to adjust these smaller rural banks does not mean that smaller banks are not sound. It merely means that it takes a little more time to make adjustments there than in the case of banks whose assets are more liquid.

Economic recovery is impossible unless we can restore to our citizens buying power. In a capitalistic nation money circulates only when it is borrowed. Money is not borrowed unless it can be profitably invested, and the bank or the individual or the agency which makes the loans must first be assured that the money will be returned when it is due and that the rates of interest contracted for will be paid. Men will not borrow money unless they can see an investment which will protect the principal and assure a sufficient return to meet the interest charge and, in addition to that, leave some profit for themselves. Money is borrowed for the purpose of building factories, building railroads, equipping factories, building hotels and apartment houses, and other investments of like character. Just at the present moment no investment of this kind promises returns. Factories cannot operate unless there is a class of our citizens in a position to buy what they produce. Therefore the restoration of buying power is essential to our complete economic recovery.

Farmers and their dependents and those who supply the farmers with the things they need comprise approximately one fourth of our population. If we can restore the buying power of 30,000,000 people our speedy recovery is assured and we can accomplish this best by fixing a minimum price for basic farm products. They are doing this successfully now in other countries of the world, and, in my judgment, we must do it here. The farmers will spend the money they get. They need an enormous amount of replacements. At the present time they are unable to pay the interest on their mortgages and their taxes. With the buying power of this class of our people restored, factories will start again to operate and to supply this particular class with their requirements. Men will go back to work, and the wages of men who go back to work will be spent for the supplies they require, and that means other men at work, and we can start in this way again the wheels of industry.

The legalizing of beer is not a cure-all, but is one step in the direction of economic recovery, subordinate, of course, to the question of restoring the buying power of farmers. But the legalization of nonintoxicating beer within the terms of the eighteenth amendment means the speedy reestablishment of one of our great industries. It means the expenditure in a year from the time that beer is legalized of over $400,000,000 in plant equipment. It means the establishment of induced business along various lines. The revenues which will commence to pour into the Treasury will be augmented by almost a similar amount from other related industries revived and increased in importance and in output by the legalization of beer. Our immediate troubles and difficulties are over now, and confidence is rapidly returning to the people of the United States.

Of prime importance also is the reduction of the interest charge on farm mortgages, and we must prevent foreclosures for a limited period of time. There are eight loaning agencies under Government control which make loans to farmers. They must be consolidated into one agency, thereby escaping enormous overhead charges.

Under the plans embraced in the Jones bill, without the expenditure of a dollar, except an insignificant sum for overhead expenses, interest on farm mortgages and also on mortgages on homes can be reduced to 3½ percent. Farmers can be supplied with what they need to pay their taxes which are now coming due. Foreclosures can be prevented for 2 years of time, and all this will cost the Government nothing. When we have restored the buying power of farmers and also provided for them the reasonable interest charge the situation demands, complete economic recovery will be almost immediate.

In France they have an interest charge for farmers of 3 percent. The League of Nations is organizing a farm-loan bank for western Europe, and the plan is to charge farmers only 1 percent. With a 3-percent interest rate and a 95-year amortization period as they have in France the astonishing thing about agriculture today is the fact that farmers in France with these low interest charges are paying off their mortgages and are not waiting for the expiration of the amortization period.

The amortization period provided for in the Jones bill with 3½ percent interest rate for farmers is 46 years, but I predict that long before that period expires farmers will be found paying off their mortgages and freeing themselves from the burden of interest charges.

I am astonished at the remarkable vigor of the President of the United States. On the 4th of March I sat on the reviewing stand in front of the White House for three hours while the inaugural parade passed. While I was comfortably seated I felt tired, and there were many on the reviewing stand who were comfortably seated and who left the stand before the parade was over, but the President stood reviewing the parade for 3 hours, smiling and acknowledging the salutes, and at the end of this long period of time he seemed as fresh and as happy as at the commencement of the period.

His arduous duties commenced immediately after the conclusion of the inaugural parade and have proceeded without intermission or rest since that time. The White House conferences, in which I have participated, sometimes last until 1 o'clock in the morning, but the President continues his work long after we leave. He has worked day and night with little intermission or rest, commencing with the 4th day of March until the present moment, and he is as fresh and vigorous as ever, smiling always, inspiring confidence in all with whom he comes in contact.

He is an ideal leader and one of the greatest Executives with whom I have come in contact during my long period of service in the House of Representatives, and I have now served under eight Presidents. He is as great a leader as Woodrow Wilson, and that is the highest tribute which can be paid to any President, but in strength and vigor he surpasses even the great Wilson—our war President, but the war against depression in which we are now engaged is more serious than the World War.

An All-Wise Providence has given us now an Executive who fits into every emergency, and back of him in this war against depression which he leads all parties are united as I have never seen parties united before. In the House of Representatives politics has adjourned by common consent. The time will soon be here when we will find ourselves standing on the very highlands of the morning witnessing the dawning of the new day which comes now to us and to all the world.

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, I regret very much that it becomes necessary for me to detain the House this afternoon for the time that I shall address it. My subject is: From the Police Court of the City of Louisville to the Court of St. James.

I shall, before entering into a specific discussion of my subject, first lay down some fundamental constitutional principles in justification of the attitude and position of myself and some of my colleagues from my State who have been unwarrantedly, unjustifiably, and inexcusably attacked in a newspaper published in Louisville, Ky.

I take the position that every man in this House who voted upon the bill which was enacted by the House last Saturday voted according to his convictions. I believe in the right of every representative in a deliberative body who claims the right to represent a great people, to be entitled to express his views, to answer to his conscience, and to obey the sacred obligations of his oath of office. [Applause.]

In 1832 and 1833 there was a crisis in the history of the United States more dangerous, more deadly, and more fearful than any crisis since that day, including the days of the Rebellion and reconstruction period following it, and the World War. That was the day when private institutions held the pursestrings of the Nation and the people's money in a monopoly and denied the right of Congress and the Executive to break their stranglehold. Even under those circumstances, in those dark days of trial, in those hours, we had a man like we have today, a patriot and a statesman in the White House, a man whose name I have the honor to bear, Andrew Jackson, of Tennessee. [Applause.]

In a veto message to the Congress of the United States, vetoing an act extending the charter of the National Bank of the United States, Andrew Jackson laid down this great fundamental principle of constitutional law, and I quote from his Messages and Papers of July 10, 1832:

> Experience should teach us wisdom. Most of the difficulties our Government now encounters and most of the dangers which impend over our Union have sprung from the abandonment of the legitimate objects of government by our national legislation and the adoption of such principles as are embodied in this act. Many of our rich men have not been content with equal protection and equal benefits, but have besought us to make them richer by acts of Congress. By attempting to gratify their desires we have in the results of our legislation arrayed section against section, interest against interest, man against man, and in a fearful commotion which threatens to shake the foundations of our Union. It is time to pause in our career to review our principles and, if possible, revive the devoted patriotism and spirit of compromise which distinguished the sages of the Revolution and the fathers of our Union.

Again, in the same great time of trial and trouble, the old hero of democracy, the man who dared to vindicate his conscience and his oath of office in the face of opposition, Andrew Jackson, said:

> The Congress, the Executive, and the court must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution swears that he will support it as he understands it and not as understood by others. It is as much the duty of the House of Representatives, of the Senate, and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval, as it is of the supreme judges when it may be brought before them for judicial decision.

This is not all that Andrew Jackson said, but Jackson declared in the same period of our history, and I quote from his Messages and Papers of 1833 on the subject of removal of public deposits from the bank of the United States, to the Treasury:

> In ridding the country of an irresponsible power which has attempted to control the Government, care must be taken not to unite the same power with the executive branch. To give the President the control over the currency and the power over individuals now possessed by the Bank of the United States, even with the material difference that he is responsible to the people, would be as objectionable and as dangerous as to leave it as it is. Neither one nor the other is necessary, and, therefore, ought never to be resorted to.

With these fundamental principles, upon which our great Government's structure rests, a few of us had the courage and conviction, under our oath of office, to take a position in opposition to what was said to be the program of the President for economy on last Saturday.

Mr. McFARLANE. Will the gentleman yield just for a question?

Mr. MAY. I yield.

Mr. McFARLANE. Did the gentleman notice in last Tuesday's paper where Mr. Mussolini, the dictator of Italy, made the statement that we, in the United States, were the third Nation that had gone under dictatorial rule and power? He included in this statement his country of Italy, Germany under Hitler, and the United States under Roosevelt.

Mr. MAY. And published it in the state paper of Rome and it was circulated throughout Europe and carried in the press dispatches of the United States.

I come now to my subject and it is this. I am wondering whether the House of Representatives believes that the character and the reputation of Members of this House who dare to answer to their consciences should be immune from slander by the public press.

I shall quote from an editorial that appeared in the Courier Journal in Louisville on last Monday, a reference to myself and my colleagues, four of us, who dared to vote in a particular way upon the economy bill.

This editorial is headed "Assassin's Bullets," and it says:

> The shame of that betrayal which Kentucky must suffer is that four of those who attempted it, all Democrats, are Kentuckians.

Here they are: VIRGIL CHAPMAN, FRED VINSON, A. J. MAY, and FINLEY HAMILTON.

> There is a list which, today, is seared on the brains of the people of Kentucky. The gentlemen may comfort themselves with the assumption that the brand will be obliterated by the time of the next election, more than a year and a half away, but the "damned spot" will not out at the next election or at any election.

I say to my colleagues in the presence of God and man that I will wear that imputation as a badge of honor, coming from a disgruntled and discredited and yellow sheet that does not have a principle of honor about it. [Applause.]

Oh, from the Police Court of the City of Louisville to the Court of St. James.

Back yonder, 25 years ago, through the mountain passes of North Carolina on to the bluegrass of Kentucky, unfortunately for old Kentucky, came a carpetbagger carrying his blighting influences with him. His name was Robert W. Bingham, then known as common Bob Bingham. He is the owner, editor, and publisher of the Courier-Journal and the Louisville Times. Who is he? He is Col. Robert Worth Bingham now. And who is he? Oh, he ought to be named Col. Robert Worth Flagler Bingham.

Oh, from the Police Court of Louisville to the Court of St. James.

I charge here in the presence of the House of Representatives that the man who is responsible for the editorial pages, the ownership, and the control of this paper came to Kentucky, and the first thing that was erected as a monument to one of his achievements was that he was a candidate for county attorney of Jefferson County, in the city of Louisville, and he so corrupted the election by conspiracy and corruption that the ballot boxes were disregarded, and the supreme court of the State denounced him and his associates as perpetrators of fraud and set aside the whole election.

The second achievement of this great police-court lawyer—what was it?

Who is Col. Robert Worth Flagler Bingham? He is the man who is going from the Police Court of Louisville to the Court of St. James. He is the man who at the sacred altar promised "until death do us part" when he married the wealthy widow of a southern railroad magnate. He married her, and in a few months after marriage she died under mysterious and suspicious circumstances, and he turned up as the beneficiary of her will to the tune of $5,000,000. [Applause.]

Who is Robert Worthless Bingham? He is the man who, with this filthy lucre, acquired the ownership and control of the Courier-Journal and the Louisville Times, that has been against every Democratic nominee from the State since then. And yet he goes from the Louisville Police Court to the Court of St. James.

Who is Col. Robert Worth Bingham? He is the gentleman who has hibernated with every discredited Republican organization in Kentucky for the past 20 years and always found easy admittance to any bolters' camp where graft and crookedness prevailed. His admission was free at all hours of the night.

Mr. GOSS. Will the gentleman yield?

Mr. MAY. Yes.

Mr. GOSS. Is this man the Col. Robert W. Bingham who has been appointed minister to the Court of St. James?

Mr. MAY. Yes; and I am going to come to that in a minute.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MAY. I yield.

Mr. O'CONNOR. Did the gentleman, prior to the nomination by the President, furnish the President with this man's political affiliations?

Mr. MAY. No; I had no opportunity to do so.

Mr. O'CONNOR. But the newspapers carried the statement for days that he was to be appointed.

Mr. MAY. Nobody in Kentucky could conceive of such a possibility, and besides nobody believes the average newspaper. Who is Col. Robert Worth Bingham? When a few weeks ago the President looked down upon old Kentucky and saw her bluegrass and realized that in the last election Kentucky gave him a majority greater than ever before in the history of the State, he nominated Col. Robert Worth Bingham and sent him to England, and may God go with him and let him stay there forever. [Laughter and applause.] The President heard the Macedonian cry of the people of Kentucky and has come to their rescue and we shall honor and revere the memory of our noble President long after he is dead and his great achievement is recorded history. Long live the President and God save the King. [Prolonged applause.]

When this police-court lawyer arrives at New York Harbor en route to London, if the crews on the ships know it, the whistles will sound on every vessel, there will be a chorus of triumphant song when he leaves, and the flag on every masthead will go down when he returns.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. BLANTON. Does not my distinguished friend from Kentucky realize that a representative of the people here whose service is worth while cannot be injured long by adverse criticism? All the newspapers in the world cannot destroy him.

Mr. MAY. Oh, yes; I am not worrying about this dirty slander, but I would not be true to the constituents that I represent, and I would regard myself as a coward, if I did not resent such an unfounded, infernal, damnable lie. I would not want to go back home and look a constituent of mine in the face—I would not look a sheep-killing dog in the face—if I did not resent it. I shall not allow such infamy to pass unnoticed.

Mr. BLANTON. Sixteen years ago I used to feel just as the gentleman does. I now ignore such attacks.

Mr. MAY. Yes; and 16 years ago, when you voted for the soldiers' bonus, the Courier-Journal denounced you and every other Member of this House who so voted; and from that time to this it has been the political harlot of the Republican Party and still is today; and I do not want its support, and I am not asking it from it. Oh, but what are we going to see when the ship sets sail from New York Harbor with a pair of knee breeches and a sack full of golf sticks tied to this barrister of police courts? The people of Kentucky will rejoice in a refrain that will extend from Pound Gap to Mills Point; and when he goes to England, what will we have? When that distinguished police-court lawyer takes his seat on one side of the table, a seat once occupied by the immortal Ben Franklin, and when Lloyd George and Ramsay MacDonald take their seats at the other side of the table, we will have just about as much chance in that crowd as a wax cat would have in a battle with an asbestos dog in the bottomless pits of hell. [Laughter.]

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. McFARLANE. Is it true or not that this gentleman you are speaking of is very pro-British in all of the expressions he has uttered?

Mr. MAY. Well, he has a big villa in England, and God help him to occupy it for the balance of his life. We do not need him in Kentucky.

The SPEAKER pro tempore. The time of the gentleman from Kentucky has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

NUMEROUS MEMBERS (on their feet shouting). Give him all the time he wants.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ZIONCHECK. Is this gentleman a swivel-chair colonel or a real colonel?

Mr. MAY. He is a swivel-chair colonel, because we honor real colonels down in Kentucky. I imagine when he gets to England he will be an admiral, but I do not know what kind, and he may be again what he was during the World War, a cowardly slacker.

There is one matter of regret about it. While I rejoice with the President of the United States—and I commend him for the act he performed in getting rid of this gentleman from the United States—there is this lamentable thing about it, that the ports of entry will not be blockaded and an embargo declared as to him after he leaves us so that he may not come back at some future time.

But, oh, what about Robert Worth Bingham? I say that a man whose newspaper maligns and slanders the Representatives of the people because they dared stand up and champion the cause of the men who carried that flag to yonder fields in France and died with it around them, while he was a slacker dodging taxes and responsibilities at home, deserves criticism. I am glad to take my lot with the people, Bob Bingham to the contrary notwithstanding. But what else? You know that during the World War we enacted a statute against profiteers, and we controlled the price of coal and wheat and food products, but there was no statute, no provision of law, by which you could prevent the Courier-Journal and the Louisville Times from putting out red, blazing headlines and selling their papers as profiteers and taking the profits from the blood of the men who sang the songs of victory on Flanders Field. When I think about the charge that I betrayed my party because I dared to vote my convictions, I am reminded that I am with the boys who marched through Flanders Field and across no man's land to prevent the heel of autocracy being placed upon the necks of the struggling peoples of the world. Autocracy is a damnable thing in my sight, regardless of where it appears, whether it be in the Reichstag, the Executive Offices, or in the House of Representatives of the United States.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. DIES. I notice in the New York Tribune a scurrilous editorial imputing improper motives to the Members of this House who voted "nay" the other day. I was one of those who voted "yea" but in my judgment the most despicable thing in the world is for any newspaper, or any Member of Congress, or anyone else to say that because a man votes "yea" or "nay", he is thereby betraying his country. [Applause.]

Mr. MAY. Oh, what a picture? A Louisville police-court artist, transferred from that forum to the palatial surroundings of the royalty of England, with a salary of $17,500 and other numerous bonuses, perquisites, and allowances with which to buy fine wines and fragrant flowers and rich eats, and then behold the other side of the mirror. On this side we see the emaciated, diseased, and crippled veteran whose compensation or pension has been discontinued, surrounded by a wife and defenseless children sitting yonder on the mountainside, upon the great plains or in the dark shadow in the deep valley looking up through his sorrows to the flag of our country and wondering after all whether it means anything to him. For myself and my colleagues we gladly cast our lot among the plain people of America on the side of the poor and helpless rather than with this owner and publisher of slander sheets. This yellow journalist—he may have his glittering gold, tainted and untainted, and for it all I would not barter the happy consolation that comes to those whose conscience is at peace; and for my colleagues, FRED VINSON, FINLEY HAMILTON, and VIRGIL CHAPMAN, let me say the Courier-Journal can write all the editorials it chooses, it may talk of "assassins' bullets" all it wishes, but neither

they nor I ever attempted the assassination of the character of honorable men. What is our crime? Ah, we dared to vote our convictions and upheld our oaths under the Constitution. Over in the United States Senate they have for 3 days been debating and amending what is supposed to be "the economy bill", a privilege that was not accorded to Members of this House of Representatives. I am wondering if this Judas of the Democratic Party, this Benedict Arnold of the ages, the Courier-Journal, will dare denounce the Senators for expressing their views. Nay, verily. Not while the nomination of its master is pending in that body for its approval.

All honor to the Senate of the United States, one place at least where parliamentary law and practice still exists and a place where the duly elected representatives of the people are permitted, under their oaths of office, to express their views. Over there the high prerogative of a Member of the American Congress to champion the cause of his constituents may still be respected. It is said by this political hypocrite, "The Courier-Journal," that we have deserted our leader, the President of the United States, and that we have betrayed the people of Kentucky. There is not one of us that did not boldly proclaim from every platform from which he spoke throughout the length and breadth of Kentucky that he would not vote to destroy the legal status of all the defenders of our country, and that is what the so-called "economy bill" that was put through this House under gag rule without amendment did. It threw out of court more than 25,000 suits of veterans and their dependents on insurance contracts, the premiums for which were taken from the wages of our World War veterans while they fought the battles of our country in France. Who on this floor would dare justify that? Who on this floor would deny to the widows and orphans of our war veterans the right to assert their rights under these insurance contracts in the courts of our country? And yet that is what the bill as it passed this House did.

Ah, that is not all. It took away from the poor emaciated and helpless veterans suffering from the great white plague, tuberculosis, and shell shock the right to hospitalization. It slammed in their faces the doors of our great hospitals and sanitariums, and in a cruel and heartless way turned them out into the cold and cheerless world to suffer and die. It took away from them even the small sum of $100 to bury their dead, but, thank God, over in the Senate there remains a few more great-hearted statesmen who have the courage of their convictions, too, and they rose up and said to the National Economy League, as did the old French hero, Marshal Joffre, at the Battle of Marne to the Germans in 1918, "They shall not pass." Ah, the Senators said to the poor, sick, and diseased veteran, as he approaches the entrance to the scores of our great hospitals, "Knock and it shall be opened unto you; ask and ye shall receive." They sent that infamous misnomer, "Economy bill," back to this House with more than 40 amendments to it, and with it came a message from our great Commander in Chief in the White House that the bill as amended was agreeable to him. The 138 Members of this House who voted against that terrible monstrosity parading through this forum of the people's representatives under the false guise of "economy" were not traitors to nor deserters of the President or his program. They were not even assassins. But the National Economy League, as the cat's paw of the great international bankers and other sinister interests, says we must follow the leader and balance the Budget; that we must carry out our President's program. The beer bill to raise revenue to balance the Budget was as much a part of the President's program as was the economy bill. He sent a message here demanding modification of the Volstead Act and the raising of revenue to balance the Budget, and yet 97 Members of this House, most of them southern Democrats and many of them leaders of the House and chairmen of great committees, voted against the beer bill. For them I have no criticism but the highest regard and most cordial commendation. They all voted in accordance with their consciences and as they believed their oaths of office required them, and yet this keeper of the public conscience, the Courier-Journal, did not assail them. "Oh, consistency, thou art a jewel!" When I shall have completed my service here in this House, I know I shall go with the high regard and best wishes of all my colleagues, regardless of their politics. I shall return to serve among the people of the great mountain section of Kentucky with a clear conscience, unafraid of their ultimate decision and able to look every man in the face, and the Courier-Journal can go to the devil. [Prolonged applause.]

Mr. MAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. GOSS. Reserving the right to object, the gentleman is going to put them in the RECORD, is he not?

Mr. MAY. Yes. That is what I stated them for.

There was no objection.

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. LAMNECK]?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I believe we have been discussing today a subject that deals with a matter that is more important to the future welfare of this country than any subject that has been discussed before the Congress since I have been a Member. I am sorry we do not have 100 percent attendance of Members on the floor at this time, because I am advised there will be some other discussions following mine, and I believe the subject I am going to talk about is one that the House of Representatives in particular is not sufficiently informed upon. According to my way of thinking, it is a subject that we should give immediate consideration to, because in this subject, I believe, we have the only hope for the immediate future.

Mr. Speaker, Nero was fiddling while Rome was burning. What is in store for us in the immediate future no man can tell. I am speaking to you as Members of the House of Representatives of the United States, the body of men most representative and most responsible to the people for the legislative department of this Government.

We are the legislative branch of this Government that has the greatest responsibility to the people. Why stand we here idle when the most serious consequences await our neglect?

For my part I have been watching the disintegration of the business structure of our country with something very much akin to a nervous chill. I have seen the failure, one by one, of the measures that have been forced upon our Congress during the past two sessions by the executive branch of this Government with a mixture of awe and disgust. As a matter of practical common business sense, what right had we to expect that the Reconstruction Finance Corporation would remedy our ills?

In January 1932 a statement was made in an address to an assemblage of Congressmen by a prominent economist, which was reported in press dispatches, that plainly predicted that if that law was passed we would freeze up the only available liquid assets in this country; and when that is done, he said, what are you going to do next? This was a part of an appeal to Congress to apply the resources of this Nation to a fundamental remedy rather than to a temporary postponement of the inevitable crash. The same predictions were made as to the Glass-Steagall bill. The only justification of such measures was that during the period of temporary relief a permanent remedy would be applied to the basic cause of this economic world tragedy.

Gentlemen, I have, on my part, been waiting for the action of the committee of this House, of which Mr. SOMERS of New York is chairman. My interest has been centered on the work of this committee ever since May 14, when it made its report to Congress announcing its finding, which should have rocked this country from Canada to Mexico and from Maine to California.

This report stated that certain nations of the world had, through legislative enactment, brought about conditions that had destroyed the prosperity of the United States; that the

price of commodities had been reduced below the point that admits of any profit to American producers; and a few days later Representative FIESINGER, of Ohio, in a speech made on the floor of this House, amid great applause, told that this committee was going ahead with an American plan to put the American Nation in a position to defend this situation, and that in a few days a bill would be introduced in the House of Representatives to provide such a plan for the defense of American interests.

Since that time Mr. SOMERS of New York, the chairman of this committee, has introduced a bill, No. 13000, and Mr. FIESINGER, of Ohio, has introduced a bill, No. 1577, and hearings of the committee on these and other bills have resulted in the report of this committee to the House, which was for the consideration of the House—one a second bill by Mr. SOMERS of New York, involving a different principle from the first bill, and which I understood had only 5 votes from the members of the committee; the other a bill by Representative FIESINGER, combining the various views of the rest of the committee, and which I understand has back of it the general sentiment of the committee.

These bills, and the report of this committee which accompanied them, come before this House as the timely arrival of a fire engine at the most serious conflagration that has ever taken place in the history of this country, and I propose that we do not unnecessarily delay one day making use of this equipment.

Any emergency legislation submitted to this Congress from the Executive will, of course, have our first consideration, and we will extend to the Executive every cooperation, but we will not, and we cannot, defer any longer than necessary devoting our every energy and our most consecrated purpose to giving full consideration to the report of this committee, which is the only committee that has brought before this Congress any proposal that even claims to be a fundamental remedy for this economic tragedy that besets our Nation.

We must not forget that we are the branch of this Government responsible to the people for legislation, and we are the ones who, through our committee, have concluded 12 months of study and investigation into this subject, and that we are obligated to a full discharge of this responsibility.

But this is not all. There are two matters that stand out in bold relief, head and shoulders above all other things, to which I wish to call your attention. One is the oath of office that is required to be taken by the Members of Congress that they will defend and protect the Constitution of the United States. And this oath, to whom we have all of us subscribed, brings to bear the most solemn and peculiar duties as relating to this particular matter for the reason I will now state.

The duties imposed upon Congress, under section 8 of the Constitution, are to coin money, regulate the value thereof, and fix the standard of weights and measures.

It is this standard of measure that under the Constitution Congress is charged with the responsibility of defending, that represents the basic cause of this depression, according to the report of this committee. So that in this report which comes to us from this committee we are put on notice that this Government has neglected this matter. It has not regulated the value of money; on the contrary, it has left this vital matter to the manipulation of foreign nations, and we are on the very edge of a precipice as a result of this neglect. And this the most wealthy nation on earth now witnesses our population on the verge of disaster as a result, not of the acts of these foreign nations, but as a result of the neglect of our Government.

Our people have rebuked this Government at the polls by an overwhelming denunciation of their management, and they look to us as the new Government to put an end to this neglect.

A defensive measure is proposed in this bill of Congressman FIESINGER, of my State of Ohio, which I propose to advocate on the floor of the House, which is so carefully designed to meet this crisis in our national affairs that until now, so far as I know, no serious objection has been urged to it nor to any of its provisions. It proposes an American plan for putting the American Nation in control of its economic affairs. It takes charge of our monetary system which has been left to drift to its wreckage and to arrive in its present deplorable state. This money system, which now is shifting and drifting with the currents that other nations have set in motion, is placed by the provisions of this bill on a basis that is sound beyond question. It maintains the single gold standard as a measure of value, and at the same time places the monetary reserves of this Nation under control in the interests of stability of price levels, and in full recognition of the fact that the confidence element in our credit structure must be preserved.

On page 24 of his testimony before this committee I find this statement made by a noted economist:

> But the United States is the only nation in the world, so far as I know, that has no management whatever in the matter we have under discussion. We are running adrift.

The time has come, gentlemen, and it is now here, when we shall stop running adrift. We have devoted too much time to these makeshift alleviatives—to these porous plasters of our quack economists. The time has come for a sound remedy. We have one that has come out of this committee and is a proposal, as I understand it, that is in sympathy with the views of a majority of the committee, in the Fiesinger bill. And this bill comes to us with a record that I have carefully read and reread, and that clearly illuminates the whole question, and I wish to be on record as saying to the Members of this House that it is my belief that any Representative who fails to study this record is neglecting what in my opinion is the only way out of this depression. I will go further than that. I will put myself on record as saying that, if this measure is enacted into law, it will give to this Nation and to the world a Magna Charta of economic liberties that will bring order out of chaos, and that will give to this country and to the world a basis for future prosperity, so that such a tragic state of affairs as we now witness can never again occur.

Without this remedy, or some other remedy that by sound process establishes the principles herein set up, I predict revolution and disaster. These makeshift arrangements are merely postponing the evil day. This bill is a remedy. We should lose no time in giving it a full measure of consideration. [Applause.]

Mr. BUSBY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. BUSBY]?

There was no objection.

Mr. BUSBY. Mr. Speaker, I will occupy this short time to call your attention to a situation that seems to have been overlooked. A great deal has been said recently about the expense of the Veterans' Administration, and especially about the amount that has been paid to the disabled veterans, whether service-connected or not. It is claimed that they have cost the Government some $5,000,000,000. I want to call your attention to another bonus that has been paid and that is being paid, and the amount is continually growing.

$11,614,000,000 BONUS PAID TO BOND BUYERS

It is a bonus paid to the plutocratic class of this country. During the past 16 years, from 1917 to 1932, inclusive, there has been paid to the holders of tax-exempt securities in this country $11,614,000,000 interest, considerably more than twice the cost of the Veterans' Administration. This, Mr. Speaker, is a bonus that is being paid to the "big boys", about which you have not heard a word of complaint. [Applause.]

BONUS TO THE MONEY LORDS SHOULD BE CUT

Something ought to be done by this Congress and by this administration, not only to relieve the taxpayer somewhat of the inequities that have crept into the administration of the Veterans' Bureau, but they ought to be relieved of this inordinate cost that comes by way of the bond interest charge which must be collected from the taxpayers of this country. That is not all. Those bonds are tax-exempt, and the

holders of them do not propose to take any part in bearing the expenses of this Government.

Mr. McFARLANE. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. McFARLANE. Why is it we cannot issue currency and retire this $600,000,000 we are paying annually in interest on the public debt?

Mr. BUSBY. There is no legal reason why we cannot, but the managers whom I have mentioned just now will not permit it. They say we have sound money when we get money on bonds owned by the bankers of the country and on which the Government pays them 4 percent. They deposit those 4-percent bonds and get interest on the bonds while they get the money that is issued on them. The Government could use 1-percent bonds through the Federal Reserve bank as a basis for its currency, but the big bankers will not let it. They demand their "pound of flesh."

Mr. PATMAN. Will the gentleman yield right there?

Mr. BUSBY. I yield.

Mr. PATMAN. Can the gentleman explain why the interest rate advanced so rapidly in the last week or so?

INTEREST ON SHORT-TERM NOTES INCREASED 4,000 PERCENT

Mr. BUSBY. I cannot explain it, and I do not think the public generally understands why the interest rate was advanced from one tenth of 1 percent, as it was on the last short-term notes sold by the Treasury, to 4 percent and 4¼ percent on the issue sold today, March 15. The Treasury did not even offer these short-term securities sold today for any other amount of interest than around 4 percent, and that is an increase of 4,000 percent over the interest paid on a recent sale which was oversubscribed 20 times. I do not understand it. I do not think it has ever been explained.

Mr. PATMAN. Will the gentleman yield right there for another question?

Mr. BUSBY. I yield.

Mr. PATMAN. Under this new law the banks can take the bonds they buy from the Government, turn them back to the Government, and get the new money in return for them, and at the same time get the interest on the bonds.

Mr. BUSBY. They get the interest on the bonds and they get the use of the money.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. COCHRAN of Missouri. Is it not reasonable to assume that the high rate of interest is required owing to the shortage of money in the banks? In other words, the banks need the actual cash and cannot take up the bonds at this time.

Mr. BUSBY. I answer that by saying that it does not require cash. There are $690,000,000 they are turning in in the form of maturing bonds and securities, so that it is not a cash transaction. All the banks in the United States did not have $600,000,000 in cash when they closed. It is swapping old securities for new ones that bear many million dollars additional interest.

Mr. COCHRAN of Missouri. What rate of interest did the securities which they are turning in bear?

Mr. BUSBY. From one tenth of 1 percent up to about 4 percent. It is my understanding it is around $50,000,000 advantage gained by the bankers in the transaction that is now being put over.

Mr. GAVAGAN. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. GAVAGAN. And we hear no comments from the National Economy League or its hirelings, the newspapers, with reference to that, do we?

Mr. BUSBY. Not a thing; but the National Economy League is largely made up of these "big bonus boys" who are getting the $32,000,000 annually in interest. That is the trouble. It is the old story of the favored wealthy class demanding and getting laws passed that will fill their coffers with unearned gold, while the poor and helpless starving masses by the millions beg charity, starve, and die of hunger. What are they getting in the way of a new deal?

Mr. GAVAGAN. And municipal, State, and Federal patronage, too. Is not this true?

Mr. BUSBY. The gentleman is probably correct about that.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi may proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. PARSONS). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. KVALE. Can the gentleman tell us anything about the oversubscription?

Mr. BUSBY. I am glad the gentleman mentioned this. The last time we offered short-term notes, which was some 30 days or so ago, they were oversubscribed, I understood from Secretary Mills, about 20 times, and he complained in the newspapers and wrote an article which was published all over the country and complained because the banks were oversubscribing so much. He said it created a false impression throughout the country about the ability of the banks to take these short-term notes. He wanted them not to oversubscribe. He wanted it to appear that there was a shortage of funds, but the banks came forward with money 20 times over at an interest rate of one tenth of 1 percent.

In order to avoid that this time, they have arranged the interest rate so it would be around 4 percent. I do not know what happened in Wall Street, but it does look like something has happened that the representatives of the people of the country on the floor of this House do not understand. Frankly, I should like to have it explained to me for my own personal satisfaction. I believe in justice to the taxpayers. The Treasury should explain why the notes were offered at such high rate of interest.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. McKEOWN. Does the gentleman know whether or not the big banking interests have attempted on account of this being a new administration to hold it up for 4-percent interest?

Mr. BUSBY. I only know what has happened according to the newspapers, and that is about all we Members of Congress know about the legislation brought to us on the floor of the House—what the newspapers tell us—because we have not been permitted recently to read the bills. Half the time we have passed them without even seeing them. I have voted for some of them, especially the bill putting into effect the economy program; but I do not think it is fair to us who are charged with using discretion never to have an opportunity to exercise that discretion when it comes to enacting legislation.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. KVALE. The gentleman is old-fashioned legislator enough that he wants to have something to do with making legislation.

Mr. BUSBY. The gentleman is correct. I like to hear matters debated and understand them before voting upon them, but we have not been permitted to do so lately.

Mr. MARLAND. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. MARLAND. Does the gentleman understand that the Government will pay $32,000,000 interest on the $800,000,000 borrowed today, and that this $800,000,000 is money we are loaning these banks?

Mr. BUSBY. That is my understanding; yes. We are just losing many millions of dollars in the transaction.

Mr. COCHRAN of Missouri. Is the new issue tax-exempt?

Mr. BUSBY. All issues are tax-exempt. There is a general statute that covers the situation.

GOLD STANDARD HAS BECOME A BURLESQUE

All these bonds are payable in gold. I want to show you the ridiculous situation in which this country finds itself.

Our bonds are payable in gold, but if the holder of a bond collects the gold and keeps it a few hours he is liable to be put in jail for "hoarding gold." The gold standard that we have looked to with uplifted hands has become a burlesque on the advocates of it, and none of them talks about its proficiency any more. It is worse than nothing, because it makes otherwise intelligent men look foolish when they try to defend it, because it is not anything but a mirage. It is not working. It "redeems the currency" in theory but not in practice. It never will work. Gold has become a millstone about the necks of the people who have it, and they are bringing gold to the Treasury under the threat of being prosecuted, gold they say they have had since their mothers gave it to them when they were children, and the Secretary of the Treasury is threatening to prosecute the holders of the gold if they do not turn it into the banks. What are they going to do with it? What is the Treasury going to use it for? Are they going to "redeem currency" with it? Are they going to pay bonds with it? I wish somebody in authority would explain to me what they are going to do with this gold when they get it.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. FORD. Has the gentleman been able to discover why it is that if the banker brings a bunch of bonds to the Treasury he can get money for them and that money circulates freely in the United States without question? That is a correct statement, is it not?

Mr. BUSBY. Yes.

Mr. FORD. Why is it, then, that the United States can not issue bonds, put them in the Treasury, and issue currency against them?

Mr. BUSBY. I should like to answer that. There is no reason in the world except our fiscal system is banker-controlled from the chief financial center of this Nation, Wall Street. That is the only reason. [Applause.]

Mr. LUNDEEN. Mr. Speaker, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. LUNDEEN. Is it possible that that is the reason why we had no printed bills here on the banking question last week? If I understand correctly, there was a printed bill at the desk, but no bills were distributed to the Members.

Mr. BUSBY. I really wish I could tell the gentleman about that, but I cannot.

Here is what they call "sound money": It is money which is issued on bonds owned by the bankers on which the Government pays 4 or some other percent of interest; but if the Government proposes to make money without paying the 4 percent for its circulating medium, the newspapers say it is "fiat money" and not sound. [Applause.]

[Here the gavel fell.]

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FIESINGER. Mr. Speaker, several addresses have been made here today upon a subject in which I am deeply interested and to which I have given considerable study. Two or three speeches have been made in the last few days. The gentleman from South Carolina [Mr. McSWAIN] made a speech covering this general subject. The gentleman from Louisiana [Mr. MONTET] did likewise; and today my very good friends, the gentlemen from Texas [Mr. CROSS and Mr. DIES] and the gentleman from Ohio [Mr. LAMNECK] spoke upon this subject.

I want to talk to you a little bit today on the subject of the appreciation of gold and restore the commodity price level where it is fair between producers and consumers, debtors and creditors. In view of the able speeches that have already been made, and in view of the fact that the American people are very much concerned about this subject, I want to give you some of my views with reference to it.

Mr. McFADDEN. Will the gentleman yield right there?

Mr. FIESINGER. Yes.

Mr. McFADDEN. Will not the gentleman put in the RECORD the total amount of gold there is in the United States and just where it is located, whether in the Treasury, the Federal Reserve, the banks, or in the pockets of the people?

Mr. FIESINGER. Answering the question of my colleague from Pennsylvania [Mr. McFADDEN], on the last available date, March 8, 1933, the monetary gold stock in the United States was $4,243,000,000. In answer to the question as to how much gold there was in the hands of the people and banks in circulation, the last date available was the last of January, 1933, and there was in circulation $479,000,000, so there was in the Treasury and Federal Reserve, taking into consideration the discrepancy of the dates, the difference between those figures, or $3,764,000,000.

I say that the people of the United States are crying out to the Congress of the United States to relieve them of the intolerable conditions due to the appreciation of gold, and I say this for the reason that every Member of Congress has had hundreds, and perhaps thousands, of letters from all over the United States, the letters I refer to asking the Congress to cut down the grains or the content of the gold dollar.

Last Sunday there appeared in the New York Times an article coming from Columbia, Mo., in which 150 economists petitioned President Roosevelt and the committees having charge of the matter in Congress to treat the subject, and I read just a few words from this article:

> We urge that the currency system be so reestablished that no world scramble for gold can force us into ruinously falling prices and acute depression.

As I have said, this petition was addressed to President Roosevelt and signed by 150 economists representing colleges in every State in this Union.

I now want to approach the subject from a little different angle than it has been approached heretofore today. I may say at the outset that I believe that we should continue upon the single gold standard, but I would take the inflation out of gold by putting into our monetary reserves silver that would act in competition with gold and thereby take out its inflation.

My friends, you say there is no inflation in gold. Let me read what one of the great British statesmen said last summer, quoting from the New York Times of July 10, 1932. Mr. Winston Churchill said:

> They have twisted and distorted it in a manner most unfair and most injurious. Gold has been cornered, scrambled for, and hoarded. It has risen enormously in price and the value of everything we have or earn has been diminished accordingly. In the last few years the price of gold has risen by nearly 70 percent, and the value of everything else has fallen in like degree. We know that the fault lies with gold or with those who have manipulated gold. It does not lie with the many thousands of other commodities which are measured in gold.

Mr. FORD. Will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. FORD. Has the gentleman had the McKenna report which came along at about that time?

Mr. FIESINGER. We had the Hilton-Young report, which was a report on Indian finances.

Mr. FORD. The McKenna report came out at about the same time.

Mr. FIESINGER. Winston Churchill speaks of the manipulated value of gold, and this is what I want to come to.

Our committee, the Committee on Coinage, Weights, and Measures, made the following finding, and let me read this to you, because it is interesting. My friends, this is a subject that every Member of this Congress, as was said by my good friend from Ohio, Mr. LAMNECK, should study, because it involves a subject that, if you will treat it, will do more good than all the reconstruction finance corporations and home-loan banks and all the other plasters that have been put upon our economic system. [Applause.]

This is what the committee found after deliberate study for about 6 months, calling before it the great bankers of the United States, the great economists of the United States,

and the great business men who are doing a world-wide business, and I cite this in support of what Mr. Churchill said, that gold has been manipulated:

The committee, through the weight of the testimony, has learned that the major depressions have followed governmental action which directly resulted in the dislocation of money and through it of commodity values, or, in other words, in the destruction of profits from productive industries; profits reduced when the general commodity price level is suddenly lowered by whatever cause and completely wiped out when the price level goes below the cost of production.

The position of the United States has shifted as a result of the World War from a debtor to a creditor nation. As a result of this the profit from our productive industry has assumed greater importance as it establishes through investment, as well as consumption, the basis of a market for our manufactured products. The maintenance of a condition of prosperity in the United States is therefore accentuated to the point that the restoration of productive industry to a profit-earning basis is of transcendental importance. To convey this idea, in other words, we would say that the purchasing power of money must be brought back to normal, and to do this the causes of disequilibrium in money must be removed.

Our investigation has revealed—

Listen to this men—

Our investigation has revealed that certain European nations, in an effort to protect their manufacturing industries by affording a better cost basis through lower prices of raw materials and foodstuffs, suddenly, and either inadvertently and unintentionally, or quite deliberately, depressed the world commodity price levels below the point that admits of any profit to the American producer. We find that this result has followed directly and definitely from certain governmental acts, the effects of which are clearly traceable, so that all the important facts are well sustained by the evidence we have gathered.

My friend spoke about the Hilton-Young report on British currency. This may have been the manipulation of England and it may have been done quite deliberately. I am not saying so, but it is possible it may have been done to depress commodity prices and the commodity price levels, because everybody knows that England and the European nations want a lower commodity price level than we can afford to have in the United States and have a profit for our business and prosperity for our people.

Let us see what Montagu Norman said and let us see whether or not there is anything to the proposition about which I am speaking, and I am speaking of using silver as a defensive measure against the action of foreign governments using silver to knock over gold, to appreciate the value of gold and to depress commodity prices.

Now, what did he say?

All those things would react upon this country very seriously. I think that one has also to bear in mind the interaction between gold and silver prices. There is a reaction upon gold prices where an extreme rise or fall takes place in the value of silver, which is none the less serious because it is indirect and not very apparent on the surface.

The consequential changes in prices generally and in trade conditions, which would be produced, the disturbance to the world's economic peace and confidence, the interference with the long-established social habits of the people of India in the use of silver, the shock to the reliance of a great country like China upon silver as a medium of currency and a common store of value, could not fail to have important effects upon the gold prices of countries in Europe and indeed in America.

Mr. OSIAS. Will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. OSIAS. Have the investigations of the gentleman and his committee shown evidences of manipulation in the inflation of gold and the deflation of silver?

Mr. FIESINGER. We certainly did; and I will state the instances. There were three. First, where the European nations debased their silver coinage, reducing it in fine silver. That was No. 1.

No. 2 was when Great Britain took India off the gold-exchange basis and put her on a gold-bullion basis. It put upon the market several hundred million ounces of silver, which broke the silver market, because China had her investments in silver, and which caused the appreciation of gold throughout the world. In addition, there was the Government of France doing about the same thing in Indo-China.

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I ask unanimous consent that the gentleman may have 10 minutes more. He is making a very interesting and learned discussion.

Mr. DISNEY. Will the gentleman touch upon the subject of the deflation of the gold content of the dollar?

Mr. FIESINGER. I will be glad to do that. I know there are many people who are favorable to deflating the gold dollar. Some very able financiers in the United States are advocating that kind of a measure, but I myself have a different opinion. My friend the gentleman from Texas [Mr. DIES] has a bill in Congress on that subject, also Mr. DIES has a bill with reference to silver. I think my bill (H.R. 1577), that has been alluded to heretofore, will bring about the same result as is intended by people who would reduce the content of the gold dollar. In my judgment, we would do it by this means—I do not want to say anything offensive to people who are advocating that kind of a measure, but I believe in my heart that is repudiation.

I say further that it would shake the confidence of the people of the world for the United States to do that. It would shake their confidence, and not only the people of America but throughout the world. They would say, and might well say, "Well, if you are going to do that this year, and like conditions arise in 2 or 3 years, you will do it again." And it seems to me that it would be a great shock to the confidence of the business world, and I do not favor it. I believe those are the objections that I have heard urged against that method.

Mr. DIES. I respect very much the opinion of the gentleman; but the gentleman will agree, I am sure, that gold has depreciated to the extent of approximately 65 percent.

Mr. FIESINGER. I agree to that.

Mr. DIES. And to reduce the content of the gold dollar by 33⅓ percent would not constitute a repudiation but would merely restore the normal purchasing value of the gold. Of course that is another point of view. I call the gentleman's attention to the fact that we have heard a great deal about the gold standard and about confidence in the gold standard of the United States. Yet the financiers who have been so zealous in wanting to protect the gold standard have confessed their lack of confidence in it by writing into all these contracts that they are to be payable in gold of the present weight and fineness. If they had such confidence in the gold standard of the United States, why write into the contract that phrase?

Mr. FIESINGER. I think they did that anticipating that the Congress of the United States, which undoubtedly has the power, might do the very thing the gentleman suggests. They were protecting themselves against it by writing that clause into the bonds and long-term securities. As I have said, I have introduced a bill, and there are several other bills of this kind which have been introduced into Congress, one by my good friend Judge CROSS, who has given the subject tremendous study, another by Mr. BANKHEAD, who has also given it a great deal of study, and also by my good friend, Mr. DIES, who has a similar bill. These bills are substantially alike in principle but vary somewhat as to details. The principle that we are contending for, however, as against such measures known as the Pittman bill, which pends before this House under the name of Mr. MCKEOWN, of Oklahoma, differs in this respect, that we issue silver certificates against silver and redeem those certificates in silver at the gold price of silver. We do not want in any way to tie those certificates to gold, because when we do that we put an additional strain upon gold. We are trying to take the strain off gold. I am not finding any fault with the measures that I have alluded to, except the measures that tie silver to gold. I do not want that, because what we are trying to do is to put silver in competition with gold and thereby take the inflation out of gold, and we cannot do that if we tie silver to gold.

Mr. LEE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. LEE of Missouri. How would you tie silver to gold? In time of stress, gold always runs out of the country and

you have to depend on silver anyway. It hides itself. It is the most cowardly thing in the world.

Mr. FIESINGER. That is what we are trying to accomplish here. A gentleman from my own State, who was a Member of Congress in the last Congress but is not now here, said to me on the floor of the House 2 or 3 weeks ago, and I quote him because he expressed it better than I can, "What you are trying to do is to make gold out of silver, so that when we have a scramble such as we have now, you may have additional gold." As was suggested by Mr. LOZIER today, we may find additional gold mines, but the difficulty is that we may all starve to death before we find them, so that if we can we should take another commodity that has international acceptance, and is money to half the people of the world, and put silver into our reserves, monetize it in our reserves. We do not want money made out of silver, but we want to monetize our reserves with silver by putting silver enough in our reserves at the gold price of silver as will take the inflation out of gold. In other words, we would put silver in our reserves in competition with gold, so as to relieve the strain upon gold. When there is a strain upon gold that makes it a false measuring rod, if you put silver in our reserves at the gold price of silver you are, in effect, adding that much gold. That will relieve the demand for gold and help to keep your yardstick stable.

Mr. LEE of Missouri. So far as I am concerned, I would be mighty glad to have some silver. I have been so hard up for 12 years, since these Republicans have been in power, that a man could pass counterfeit money on me and I would not know the difference. [Laughter.]

Mr. DIES. In reference to the talk about discovering gold, of course, all the economists agree that if we could discover new gold in an appreciable amount, there would be an appreciable increase in commodity prices, such as happened after they discovered the New World and after the California gold rush. If that premise is correct, why could we not supplement the gold reserve with a silver reserve and accomplish the same result?

Mr. FIESINGER. We can.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. LAMNECK. By adopting such a plan it would be possible to increase the purchasing power of foreign countries without an international conference, would it not?

Mr. FIESINGER. Absolutely, and you will never get the countries to agree upon this subject by an international conference. They have tried it two or three times, and they never will accomplish it for the reason that England and the European nations want a lower commodity price level than we can have in the United States and have prosperity.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

Mr. DIES. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. FIESINGER. Yes.

Mr. McFADDEN. I am interested in what the gentleman said about making silver a part of the legal reserves. Can the gentleman assure us that in a settlement of international balances that that kind of money would be acceptable to the world in settling trade balances with us?

Mr. FIESINGER. We would continue to make our settlements in gold. We have enough gold to make our settlements in gold. If we had to get more gold, we could sell our silver at the gold price of silver. It has a world market all the time. We could convert one of these metals into the other, just as we saw fit.

Mr. McFADDEN. Has the gentleman ever contemplated the segregation of our total gold supply, for the purpose of making settlements of international trade balances, and have a currency here of our own that could not be influenced by foreigners who were speculating in exchange and attempting to control our price levels and our financial system to their own advantage and to our disadvantage?

Mr. FIESINGER. I had never given the matter consideration. I know the gentleman from Pennsylvania has given that subject a great deal of thought, and I know the gentleman has the idea that the European nations use the exchange in order to depress price levels, and they have been doing it right along.

Mr. McFADDEN. In the present situation this great stabilization fund which England has—it has been used to speculate in exchange, to hold down our price levels for the purpose of making us subservient to England.

Mr. FIESINGER. Absolutely. They have manipulated that fund to accomplish that very purpose.

Mr. LAMNECK. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. LAMNECK. Will the gentleman state in his remarks how much England has in this stabilization fund which they use to manipulate prices?

Mr. FIESINGER. I understand they have $500,000,000 worth of gold. That is a secret fund.

Mr. SIROVICH. It is $1,000,000,000.

Mr. FIESINGER. I am corrected. I thank the gentleman. That is very little known. That is well covered up.

Mr. McFADDEN. Will the gentleman yield for an observation?

Mr. FIESINGER. I yield.

Mr. McFADDEN. It is also true, I think the gentleman will recognize, that the British Government does not publish a statement of its holdings of gold.

Mr. FIESINGER. That is right.

Mr. McFADDEN. It does publish the holdings of the Bank of England, and we get meager information as regards the operations of the stabilization fund, but we have no accurate knowledge as to the gold holdings of England. I am under the impression in that regard that England is, out of sheer force of necessity of its own situation, about to go back onto the gold basis at an early date, and she is resisting that very thing now.

Mr. FIESINGER. Absolutely; and she is using that fund to depress the price of cotton and wheat and farm products and the products of the mines and the forests in this country.

Mr. McFADDEN. It is greatly to the interest of England to be able to buy our products below the cost of production.

Mr. FIESINGER. Absolutely. That has been her policy, going back to 1873.

Mr. BLANTON. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. BLANTON. The gentleman from Pennsylvania [Mr. McFADDEN], who for years was the honored chairman of the Committee on Banking and Currency, is considered one of the best authorities in the Congress on banking, and especially on international banking. Will the gentleman yield to me to ask the gentleman from Pennsylvania a question or two?

Mr. FIESINGER. Certainly.

Mr. BLANTON. I should like to ask the gentleman from Pennsylvania [Mr. McFADDEN] whether or not the newspaper reports are correct in stating that the Republican steering committee of this House has punished the gentleman from Pennsylvania by depriving him of his committee assignments? I should like to know that definitely.

Mr. McFADDEN. Well, I do not see the financial angle of that, but I will, however, say to the gentleman——

Mr. BLANTON. But is that true?

Mr. McFADDEN. Instead of using the word "punish," I would accept the word "discipline."

Mr. BLANTON. They have disciplined the gentleman in that way?

Mr. McFADDEN. The gentleman is aware, of course, that the new committees that were reported to the House yesterday by the Republican leadership eliminated me as a member of the Committee on Banking and Currency.

Mr. BLANTON. And they did that to discipline the gentleman?

Mr. McFADDEN. Yes.

Mr. BLANTON. Well, I would say it is a damned outrage against the gentleman, his district, and his State.

Mr. FIESINGER. I accept that, except that I would strike out the adjective. [Laughter.]

Mr. BLANTON. None other will properly express the kind of indignation I feel. Such action tends to intimidate the gentleman from Pennsylvania. There should be no intimidation in this public forum. I am wondering what the people of Pennsylvania are going to do about it.

Mr. DIES. Will the gentleman yield?

Mr. FIESINGER. I yield.

Mr. DIES. I want the gentleman to touch on one thing before he concludes. There has been a lot of talk about the fact that if we pass such a bill as has been introduced by the gentleman from Ohio or the one by Mr. CROSS, of Texas, or the one by Mr. BANKHEAD, of Alabama, it would flood this country with silver. Will the gentleman touch on the limitation of the silver supply in the world, and also in that connection what amount of silver would restore the normal price of silver, if removed from the world market?

Mr. FIESINGER. I shall be glad to answer that question. There are 11,000,000,000 ounces of silver in all the world. We were told by Mr. Brownell, chairman of the board of the American Smelting & Refining Co., that on the ratio of 16 to 1 silver is more limited than gold. That is a part of the testimony before our committee. He also said that if the United States Government tomorrow morning started out to give effect to any one of those bills the probabilities are that the United States would not get over 400,000,000 ounces, because there is not any more than that for sale in the stocks of the world.

Mr. DIES. And how much would it take to stabilize?

Mr. FIESINGER. Under the bill I have introduced I claim it will bring prices up to what is fair between producer and consumer and debtor and creditor by the purchase of not to exceed 1,250,000,000 ounces, which at today's price would be around three or four hundred million dollars, and this would not cost the Government a cent, because we would issue silver certificates against it, that would be legal tender for all debts, public and private, and always have 100 percent value back of them. [Applause.]

Members interested in this subject will do well to read House Report No. 2186 and the statement of Mr. John Janney before the Committee on Coinage, Weights, and Measures given on February 8 and 9, 1933. Said report and Mr. Janney's testimony may be acquired at the office of the Committee on Coinage, Weights, and Measures.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. FIESINGER] has expired.

Mr. MARLAND. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. MARLAND]?

There was no objection.

Mr. MARLAND. Mr. Speaker, the discussion today of the banking situation and system has been very illuminating. I confess to feeling very much encouraged over the future prospect of the whole situation. This is my reaction to the discussion.

I believe we should pour more light on the operations of our banking system. It has been said that sunlight is the best disinfectant and electric light is the best policeman. Let there be more light and there will be less disease and less robbery.

The other day I voted for the emergency banking bill in the dark because our President asked for the measure. When it was printed, or at least when I saw it the next day, I found it contained provisions on pages 6 and 7 whereby any member of the Federal Reserve System was empowered to borrow against its Government bonds or other Federal security 100 percent of their face value and pay no interest, or deposit with the Treasury of the United States any amount of such bonds, 3-percent, 3½-percent, 4-percent, or 4½-percent bonds and have currency issued against them at a nominal cost to 100 percent of their face value.

I understand that today our Government is borrowing from these same banks $800,000,000 in short-term notes and is to pay from 4- to 4½-percent interest on this loan. I am not stating that our Government is doing this, but I simply state that I have read that our Government intended to do it. I cannot believe it. I will have to see that our Government has paid these banks 4- or 4½-percent interest before I will believe it has done so.

We have all been interested in economy. We are interested in economy. We preach economy. We economized the other day at the expense of our veterans and at the expense of our Federal employees; and we are going to do more economizing, but may I point out that we could have an economy in the issuance of this $800,000,000 of short-term notes of $32,000,000 annually by saying to these banks from whom we are borrowing the money: "The rate of interest this Government will pay is one half of 1 percent, and no more."

If this House had the courage to say to the bankers in New York: "The interest rate is one half of 1 percent going and coming, whether you borrow from us or we borrow from you", that would be all we would have to pay and we could save $32,000,000 on this present issue, and much more. [Applause.]

[Here the gavel fell.]

Mr. GOSS. Mr. Speaker, these speeches are very interesting but there are not many Members here. I make the point of order there is not a quorum present.

Mr. BYRNS. Mr. Speaker, will the gentleman withhold his point of order for a moment?

Mr. GOSS. I withhold the point of order, Mr. Speaker.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GREGORY (at the request of Mr. CHAPMAN), indefinitely, on account of illness.

To Mr. KRAMER (at the request of Mr. FORD), indefinitely, on account of illness.

To Mrs. NORTON, for today, on account of illness.

To Mr. PEAVEY, for 10 days, on account of illness.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 30 minutes p.m.) the House adjourned until tomorrow, Thursday, March 16, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

4. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1933, to remain available until June 30, 1934, in the sum of $5,000,000, to be expended for the relief of the State of California (H.Doc. No. 4), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARDEN: A bill (H.R. 3510) providing for the examination and survey of Caney Creek, Grayson County, Ky.; to the Committee on Rivers and Harbors.

By Mr. GLOVER: A bill (H.R. 3511) to authorize the creation of a game refuge in the Ouachita National Forest in the State of Arkansas; to the Committee on Agriculture.

Also, a bill (H.R. 3512) to amend the World War Veterans' Act of 1924 making the adjusted-service certificate issued to World War veterans negotiable, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 3513) to amend the act entitled "An act limiting the privileges of the Government free bathhouse on the public reservation at Hot Springs, Ark., to persons who are without and unable to obtain the means to pay for

baths", approved March 2, 1911; to the Committee on the Public Lands.

By Mr. LEE of Missouri: A bill (H.R. 3514) authorizing and directing the Secretary of the Interior to enroll on the tribal rolls of the Choctaw and Chickasaw Nations all Choctaw and Chickasaw claimants whose names appear in the citizenship cases hereinafter mentioned and who were duly and legally enrolled by the Federal court, and the heirs now living of all such claimants, born prior to the closing of said tribal rolls by an act of Congress; to the Committee on Indian Affairs.

By Mr. WHITLEY: A bill (H.R. 3515) to amend the National Banking Act and to provide indemnity fund to guarantee deposits in banks; to the Committee on Banking and Currency.

By Mr. SHALLENBERGER: A bill (H.R. 3516) to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, to provide for the free coinage of silver as well as gold, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. BECK: A bill (H.R. 3517) to provide fees to be charged by clerks of the district courts of the United States; to the Committee on the Judiciary.

By Mr. DICKSTEIN: A bill (H.R. 3518) to provide correction of status of alien lawfully admitted without requirement of departure to foreign port; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3519) to exempt from the quota parents of citizens of the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. SWEENEY: A bill (H.R. 3520) to provide that pilots employed by companies carrying mail by aircraft shall be organized as an aviation reserve, and for other purposes; to the Committee on Military Affairs.

By Mr. DICKSTEIN: A bill (H.R. 3521) to reduce certain fees in naturalization proceedings, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3522) to extend benefits of a record of registry under the act of March 2, 1929 (45 Stat. 1512) to aliens who arrived prior to July 1, 1924, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. DONDERO: A bill (H.R. 3523) to increase to $5,000 the maximum amount which may stand to the credit of any one person in a postal-savings account; to the Committee on the Post Office and Post Roads.

By Mr. DICKSTEIN: A bill (H.R. 3524) to amend section 23 of the immigration act of February 5, 1917 (39 Stat. 874); to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 3525) to provide for a review of the action of consular officers in refusing immigration visas; to the Committee on Immigration and Naturalization.

By Mr. GAVAGAN: A bill (H.R. 3526) to amend section 4916 of the Revised Statutes (U.S.C., title 35, sec. 64); to the Committee on Patents.

By Mr. HARLAN: A bill (H.R. 3527) to supervise and regulate the sale of securities within the District of Columbia; to the Committee on the District of Columbia.

By Mr. REED of New York: Resolution (H.Res. 51) authorizing the Federal Trade Commission to investigate practices of the American Tobacco Co., the P. Lorillard Co., the R. J. Reynolds Tobacco Co., the Liggett & Myers Tobacco Co., and the Atlantic & Pacific Tea Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: Resolution (H.Res. 52) to compensate F. P. Randolph for extra research and clerical services for the Committee on Immigration and Naturalization; to the Committee on Accounts.

By Mr. BECK: Joint resolution (H.J.Res. 84) to provide for clarifying and reorganizing the accounts of the Panama Canal; to the Committee on Interstate and Foreign Commerce.

Also, joint resolution (H.J.Res. 85) to provide for the erection of a suitable memorial to the memory of Comte de Grasse; to the Committee on the Library.

By Mr. FISH: Joint resolution (H.J.Res. 86) to propose a multilateral agreement renouncing the sale or export of arms, munitions, or implements of war to any foreign nations; to the Committee on Foreign Affairs.

By Mr. McKEOWN: Joint resolution (H.J.Res. 87) proposing an amendment to the Constitution granting power to Congress to draft property in any war emergency; to the Committee on the Judiciary.

By Mr. FISH: Joint resolution (H.J.Res. 88) requesting the President to instruct the delegates to the disarmament conference for a further reduction of battleships and cruisers; to the Committee on Foreign Affairs.

By Mr. GAVAGAN: Joint resolution (H.J.Res. 89) directing the President of the United States of America to proclaim March 5 of each year Crispus Attucks Memorial Day for the observance and commemoration of the death of Crispus Attucks; to the Committee on the Judiciary.

By Mr. FISH: Joint resolution (H.J.Res. 90) authorizing and requesting the President to extend an invitation to foreign governments to be represented by delegates at the Sixth World's Poultry Congress to be held in the United States in 1936 and to participate in the educational and live-bird exhibits of the congress; to the Committee on Foreign Affairs.

Also, joint resolution (H.J.Res. 91) authorizing an appropriation to enable the United States to send an educational exhibit and for the expenses of official delegates to the Fifth World's Poultry Congress to be held at Rome, Italy, September 6 to 15, 1933; to the Committee on Foreign Affairs.

Also, concurrent resolution (H.Con.Res. 4) proposing that the President of the United States use his influence in the political situation that has arisen in Cuba; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOILEAU: A bill (H.R. 3528) granting a pension to Marie Beck; to the Committee on Pensions.

Also, a bill (H.R. 3529) for the relief of Lawrence Nohr; to the Committee on War Claims.

By Mr. BECK: A bill (H.R. 3530) for the relief of Michael Baldino; to the Committee on Claims.

Also, a bill (H.R. 3531) for the relief of Margaret Thomkin; to the Committee on Military Affairs.

Also, a bill (H.R. 3532) for the relief of Charles A. Thomas; to the Committee on Naval Affairs.

Also, a bill (H.R. 3533) to correct the status of George Chalmers Hunter; to the Committee on Naval Affairs.

Also, a bill (H.R. 3534) for the relief of William Anthony O'Malley; to the Committee on Naval Affairs.

Also, a bill (H.R. 3535) for the relief of Nathan Markel; to the Committee on Military Affairs.

Also, a bill (H.R. 3536) for the relief of Joseph Pasquarello; to the Committee on Military Affairs.

Also, a bill (H.R. 3537) for the relief of Charles J. Webb Sons Co., Inc.; to the Committee on Claims.

Also, a bill (H.R. 3538) granting a pension to Timothy A. Linehan; to the Committee on Pensions.

Also, a bill (H.R. 3539) granting a pension to Mary Hoyt and seven dependent children; to the Committee on Pensions.

Also, a bill (H.R. 3540) granting a pension to Emma Hendrickson; to the Committee on Pensions.

Also, a bill (H.R. 3541) granting a pension to Frank Nacod; to the Committee on Pensions.

Also, a bill (H.R. 3542) to authorize the Secretary of the Navy to dedicate to the city of Philadelphia, for street purposes, a tract of land situate in the city of Philadelphia and State of Pennsylvania; to the Committee on Naval Affairs.

By Mr. CARDEN: A bill (H.R. 3543) granting an increase of pension to Martha R. Henderson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3544) granting a pension to Charlotte A. Mercer; to the Committee on Pensions.

Also, a bill (H.R. 3545) granting a pension to Nancy A. Scott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3546) granting a pension to William B. Priddy; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3547) granting an increase of pension to Winnie Hazard; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3548) granting an increase of pension to Mariah Buchanan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3549) granting a pension to E. V. Farrell; to the Committee on Pensions.

Also, a bill (H.R. 3550) granting a pension to Galena B. Clark; to the Committee on Pensions.

Also, a bill (H.R. 3551) for the relief of T. J. Morrison; to the Committee on Claims.

Also, a bill (H.R. 3552) for the relief of Ernest Carroll Cox; to the Committee on Military Affairs.

Also, a bill (H.R. 3553) for the relief of Harvey O. Willis; to the Committee on Military Affairs.

Also, a bill (H.R. 3554) for the relief of Pinkie Osborne; to the Committee on Claims.

Also, a bill (H.R. 3555) granting a pension to Beulah W. Pearl; to the Committee on Pensions.

Also, a bill (H.R. 3556) for the relief of Richard C. Jones; to the Committee on Military Affairs.

Also, a bill (H.R. 3557) granting a pension to Louisa Sanders; to the Committee on Pensions.

Also, a bill (H.R. 3558) granting an increase of pension to Marelda Pennington; to the Committee on Pensions.

Also, a bill (H.R. 3559) granting a pension to Arthur Pate; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3560) granting a pension to Maxie Compton; to the Committee on Pensions.

Also, a bill (H.R. 3561) granting a pension to Mattie L. Stults; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3562) granting a pension to Warren A. Purcell; to the Committee on Pensions.

Also, a bill (H.R. 3563) granting an increase of pension to Margaret A. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3564) granting a pension to Mary E. Sutherland; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3565) granting a pension to Mary Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3566) granting a pension to Frances Vaughn; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3567) granting a pension to George Merideth; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3568) granting an increase of pension to Sallie Miller; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3569) granting a pension to Louisa F. Mansfield; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3570) granting a pension to Julia Lyon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3571) granting a pension to Martha Kasinger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3572) granting a pension to Mary J. Logsdon; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3573) granting a pension to Alfred Daugherty; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3574) granting a pension to Gorda James; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3575) granting a pension to William H. Jones; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3576) granting an increase of pension to Martha J. Blacketer; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3577) granting a pension to Jim Merideth; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3578) granting a pension to Mattie Bumgardner; to the Committee on Invalid Pensions.

By Mr. COFFIN: A bill (H.R. 3579) for the relief of O. S. Cordon; to the Committee on Claims.

Also, a bill (H.R. 3580) for the relief of Paul Bulfinch; to the Committee on Claims.

By Mr. CONNOLLY: A bill (H.R. 3581) for the relief of Harry J. Swisher; to the Committee on Military Affairs.

By Mr. DICKINSON: A bill (H.R. 3582) granting a pension to Mary E. Burchett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3583) granting a pension to Hattie Porter; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3584) granting a pension to Annie May Bartlett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3585) granting a pension to Polly Ann Moore; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3586) granting a pension to Hanie Marshall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3587) granting a pension to Margaret J. Allen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3588) granting a pension to Mollie E. Shrier; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3589) granting a pension to Mary E. Hays; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3590) granting a pension to Sylvia Holsapple; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3591) granting a pension to Mary E. Nichols; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3592) granting a pension to Chloe M. Ranbarger; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3593) granting a pension to Lillie Maxwell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3594) granting a pension to Julia A. Millam; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3595) for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.; to the Committee on War Claims.

Also, a bill (H.R. 3596) granting an increase of pension to Martha A. Newcomb; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3597) granting an increase of pension to Effie Sullivan; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3598) granting an increase of pension to Anna S. Younts; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3599) granting an increase of pension to Mary Elliott; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3600) granting an increase of pension to Elizabeth Hedglen; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3601) granting an increase of pension to Nancy J. Niblack; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3602) granting an increase of pension to Christine Hounshell; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3603) granting an increase of pension to Mary E. Hoel; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3604) granting an increase of pension to Nancy A. Rickett; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3605) to authorize the payment of the sum of $2,500 to the dependents of the officers and men who lost their lives on the submarines *S-4* and *S-51*; to the Committee on Pensions.

By Mr. DISNEY: A bill (H.R. 3606) for the relief of William Sheldon; to the Committee on Claims.

By Mr. FORD: A bill (H.R. 3607) for the relief of Zora B. Custer; to the Committee on Military Affairs.

Also, a bill (H.R. 3608) for the relief of Conord Grimme; to the Committee on Military Affairs.

By Mr. GAVAGAN: A bill (H.R. 3609) granting a pension to Matthew A. Henson; to the Committee on Pensions.

Also, a bill (H.R. 3610) granting an increase of pension to Emma Graham; to the Committee on Pensions.

Also, a bill (H.R. 3611) for the relief of Frances E. Eller; to the Committee on Claims.

Also, a bill (H.R. 3612) for the relief of Paris H. Qualles; to the Committee on Claims.

Also, a bill (H.R. 3613) granting a pension to Helen F. Brady; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3614) for the relief of Clara C. Talmadge; to the Committee on Claims.

By Mr. HUDDLESTON: A bill (H.R. 3615) for the relief of Alexander Collins; to the Committee on Claims.

By Mr. KELLY of Pennsylvania: A bill (H.R. 3616) for the relief of Walter A. Zinkham; to the Committee on Claims.

Also, a bill (H.R. 3617) for the relief of H. Bluestone; to the Committee on Claims.

Also, a bill (H.R. 3618) granting a pension to Gertrude A. Foley; to the Committee on Pensions.

Also, a bill (H.R. 3619) granting a pension to James H. Riffle; to the Committee on Pensions.

Also, a bill (H.R. 3620) granting a pension to William B. Kuhn; to the Committee on Pensions.

Also, a bill (H.R. 3621) for the relief of John L. Friel; to the Committee on Claims.

Also, a bill (H.R. 3622) for the relief of L. A. Levin; to the Committee on Claims.

Also, a bill (H.R. 3623) for the relief of Walter P. King; to the Committee on Claims.

Also, a bill (H.R. 3624) for the relief of T. W. Mallonee; to the Committee on Claims.

Also, a bill (H.R. 3625) for the relief of Charlotte Lamby; to the Committee on Claims.

Also, a bill (H.R. 3626) for the relief of John M. Ruskai; to the Committee on Military Affairs.

Also, a bill (H.R. 3627) for the relief of Alexander Miller; to the Committee on Military Affairs.

Also, a bill (H.R. 3628) for the relief of L. D. Tracy; to the Committee on Claims.

Also, a bill (H.R. 3629) for the relief of Forrest D. Stout; to the Committee on Claims.

Also, a bill (H.R. 3630) for the relief of the estate of Benjamin Braznell; to the Committee on Claims.

Also, a bill (H.R. 3631) granting a pension to Ida L. Updegraff; to the Committee on Invalid Pensions.

Also, a bill (H.R. 3632) for the relief of Mary S. Neel; to the Committee on Claims.

Also, a bill (H.R. 3633) for the relief of John Buchanan; to the Committee on Military Affairs.

By Mr. KOCIALKOWSKI: A bill (H.R. 3634) to correct the naval record of Walter C. Schalk; to the Committee on Naval Affairs.

By Mr. LUDLOW: A bill (H.R. 3635) for the relief of James J. Laughlin; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H.R. 3636) for the relief of Thelma Lucy Rounds; to the Committee on Claims.

Also, a bill (H.R. 3637) for the relief of Edward Theroult, alias Frank Gamashe; to the Committee on Military Affairs.

Also, a bill (H.R. 3638) for the relief of Ernest F. Walker, alias George R. Walker; to the Committee on Military Affairs.

Also, a bill (H.R. 3639) for the relief of Manuel Ferreira; to the Committee on Claims.

Also, a bill (H.R. 3640) for the relief of Esther Fountain; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII,

69. Mr. LOZIER presented a petition of numerous citizens of Linn County, Mo., urging the passage of the Frazier farm mortgage refinance bill, which was referred to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 16, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Couzens	La Follette	Robinson, Ark.
Ashurst	Dale	Lewis	Robinson, Ind.
Austin	Dickinson	Logan	Russell
Bachman	Dieterich	Lonergan	Sheppard
Bailey	Dill	Long	Smith
Bankhead	Duffy	McCarran	Steiwer
Barbour	Fess	McGill	Stephens
Barkley	Fletcher	McKellar	Thomas, Okla.
Black	Frazier	McNary	Thomas, Utah
Bone	George	Metcalf	Townsend
Borah	Goldsborough	Murphy	Trammell
Bratton	Gore	Neely	Tydings
Brown	Hale	Norbeck	Vandenberg
Bulkley	Harrison	Norris	Van Nuys
Bulow	Hastings	Nye	Wagner
Byrd	Hatfield	Overton	Walcott
Capper	Hayden	Patterson	Walsh
Caraway	Hebert	Pittman	Wheeler
Clark	Johnson	Pope	White
Connally	Kean	Reed	
Copeland	Keyes	Reynolds	

Mr. NEELY. I desire to announce that the Senator from Colorado [Mr. COSTIGAN] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

Mr. BANKHEAD. I wish to announce that the junior Senator from South Carolina [Mr. BYRNES] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. LEWIS. I announce to the Senate that the junior Senator from California [Mr. MCADOO] is detained by a slight illness. This announcement I ask may stand for the day.

I also desire to announce that the Senator from Wyoming [Mr. KENDRICK] is necessarily detained from the Senate. This announcement likewise may stand for the day.

I also announce that the Senator from Virginia [Mr. GLASS] is detained by illness. This announcement also may stand for the day.

Mr. WALSH. I wish to announce that my colleague the junior Senator from Massachusetts [Mr. COOLIDGE] is detained on account of a death in his family. I will allow this announcement to stand for the day.

Mr. REED. My colleague the junior Senator from Pennsylvania [Mr. DAVIS] is necessarily detained from the Senate by reason of illness.

Mr. HEBERT. I desire to announce that the Senator from Wyoming [Mr. CAREY] is detained from the Senate, having been in attendance upon the funeral of the late Senator Howell, of Nebraska.

I also wish to announce that the senior Senator from Minnesota [Mr. SHIPSTEAD] and the junior Senator from Minnesota [Mr. SCHALL] are necessarily absent.

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

SENATOR FROM MONTANA

Mr. WHEELER presented the credentials of JOHN EDWARD ERICKSON, appointed a Senator from the State of Montana to fill the vacancy existing in the office by reason of the death of Thomas J. Walsh, which were ordered to be placed on file, and they were read, as follows:

In the name and by the authority of the State of Montana, to all to whom these presents shall come, greeting:

Know ye that I, F. H. Cooney, Governor of the State of Montana, reposing special faith and confidence in JOHN EDWARD ERICKSON, do hereby appoint the said JOHN EDWARD ERICKSON United States Senator from the State of Montana, and by virtue of the power vested in me by the Constitution and in pursuance of the laws I do hereby commission him, the said JOHN EDWARD ERICKSON, to be United States Senator from the State of Montana, hereby authorizing and empowering him to execute and discharge all and singular the duties appertaining to said office and to enjoy all the privileges and immunities thereof, filling the vacancy now existing in said office by reason of the death of Thomas J. Walsh.

In testimony whereof I have hereunto subscribed my name and caused the great seal of the State of Montana to be affixed at Helena, Mont., the 13th day of March A.D. 1933, and in the one hundred and fifty-seventh year of the independence of the United States of America.

F. H. COONEY.

By the governor:
[SEAL]

SAM W. MITCHELL,
Secretary of State.