REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STEAGALL: Committee on Banking and Currency. H.R. 3344. A bill to amend section 14, subdivision 3, of the Federal Farm Loan Act; without amendment (Rept. No. 264). Referred to the Committee of the Whole House on the state of the Union.

Mr. DELANEY: Joint Committee to Investigate Dirigible Disasters. House Concurrent Resolution 15. Providing for an investigation of the cause or causes of the wrecking of the *Akron* and other dirigibles; without amendment (Rept. No. 266). Referred to the Committee on Naval Affairs.

Mr. CHAVEZ: Committee on the Public Lands. S. 1774. An act to provide for extension of time for making deferred payments on homestead entries in the abandoned Fort Lowell Military Reservation, Ariz.; without amendment (Rept. No. 267). Referred to the Committee of the Whole House on the state of the Union.

Mr. FULLER: Committee on the Public Lands. H.R. 2837. A bill to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes; with amendment (Rept. No. 268). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H.R. 1951) granting an increase of pension to Claudia V. Hester; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H.R. 4623) granting a pension to George E. Hilgert; Committee on Invalid Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WALDRON: A bill (H.R. 6114) to permit any person doing business within the United States to obtain loans from the Reconstruction Finance Corporation for an amount not in excess of 60 percent of the value of the real-estate holdings of such person; to the Committee on Banking and Currency.

By Mr. SIROVICH: A bill (H.R. 6118) to provide for the truthful labeling of drugs and the attachment of trade marks to the containers and packages of drugs; to the Committee on Patents.

By Mr. DUNN: A bill (H.R. 6119) to provide pensions for ex-service men and the widows of ex-service men; to the Committee on Pensions.

By Mr. DE PRIEST: Resolution (H.Res. 194) to investigate the spread of communism; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEY: A bill (H.R. 6115) granting compensation to the estate of Thomas Peraglia, deceased; to the Committee on Claims.

By Mr. AUF DER HEIDE: A bill (H.R. 6116) to provide for the reimbursement of former Second Lt. William F. Upton, Jr., for loss of equipment; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H.R. 6117) granting an increase of pension to Carrie A. Groce; to the Committee on Invalid Pensions.

Also, a bill (H.R. 6120) granting an increase of pension to Phoebe A. Kimes; to the Committee on Invalid Pensions.

By Mr. LINDSAY: A bill (H.R. 6121) for the relief of Archie J. McKee; to the Committee on Military Affairs.

By Mr. MULDOWNEY: A bill (H.R. 6122) to refund to Mary Wilkins Ogden income tax erroneously and illegally collected for the calendar year 1928; 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:

1385. By Mr. McFARLANE: Petition of the Senate of Texas, recommending Senator Margie E. Neal, of Texas, for a position of trust and honor with the Federal Government; to the Committee on Ways and Means.

1386. By Mr. RUDD: Petition of David J. O'Connel Post, No. 2264, of Ozone Park, N.Y., Veterans of Foreign Wars of the United States, favoring the Bone plan; to the Committee on World War Veterans' Legislation.

SENATE

THURSDAY, JUNE 15, 1933

(Legislative day of Wednesday, June 14, 1933)

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

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Davis	King	Thomas, Okla.
Austin	Duffy	La Follette	Thomas, Utah
Bachman	Fletcher	Long	Thompson
Barbour	Frazier	McCarran	Townsend
Borah	Glass	Nye	Vandenberg
Bratton	Hale	Overton	Walsh
Caraway	Johnson	Pope	
Clark	Kean	Robinson, Ark.	
Costigan	Kendrick	Sheppard	

Mr. ROBINSON of Arkansas. I wish to announce that the senior Senator from Nevada [Mr. PITTMAN] is absent on official business in attendance upon the London Economic Conference.

I also wish to announce that the Senator from Massachusetts [Mr. COOLIDGE] is detained from the Senate on official business and that the Senator from Georgia [Mr. GEORGE] is unavoidably absent.

Mr. VANDENBERG. I wish to announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is necessarily absent in attendance on the London Economic Conference.

The VICE PRESIDENT. Thirty-three Senators have answered to their names. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BLACK, Mr. HARRISON, Mr. LONERGAN, Mr. McKELLAR, Mr. McNARY, Mr. NEELY, Mr. NORRIS, Mr. ROBINSON of Indiana, Mr. RUSSELL, Mr. STEPHENS, Mr. TRAMMELL, Mr. TYDINGS, and Mr. VAN NUYS answered to their names when called.

Mr. ADAMS, Mr. BAILEY, Mr. BANKHEAD, Mr. BARKLEY, Mr. BONE, Mr. BROWN, Mr. BULKLEY, Mr. BULOW, Mr. BYRD, Mr. BYRNES, Mr. CAPPER, Mr. CAREY, Mr. CONNALLY, Mr. COPELAND, Mr. CUTTING, Mr. DALE, Mr. DICKINSON, Mr. DIETERICH, Mr. DILL, Mr. ERICKSON, Mr. GOLDSBOROUGH, Mr. GORE, Mr. HATFIELD, Mr. HAYDEN, Mr. HEBERT, Mr. LEWIS, Mr. LOGAN, Mr. McADOO, Mr. McGILL, Mr. METCALF, Mr. MURPHY, Mr. PATTERSON, Mr. REED, Mr. REYNOLDS, Mr. SCHALL, Mr. SHIPSTEAD, Mr. SMITH, Mr. STEIWER, Mr. WAGNER, Mr. WHEELER, and Mr. WHITE entered the Chamber and answered to their names.

Mr. HEBERT. I wish to announce that the Senator from New Hampshire [Mr. KEYES], the Senator from South Dakota [Mr. NORBECK], and the Senator from Missouri [Mr. PATTERSON] are unavoidably absent from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

UNION IRON WORKS *v.* THE UNITED STATES (S.DOC. NO. 78)

The VICE PRESIDENT laid before the Senate a letter from the assistant clerk, Court of Claims, transmitting certified copy of the special findings of fact, conclusion of law, and opinion of the court entered April 10, 1933, in the case of *Union Iron Works* v. *The United States* (No. 15014, Congressional), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

REDUCTION IN PERSONNEL AND COMPENSATION, AND CURTAILMENT OF SCIENTIFIC RESEARCH ACTIVITIES (S.DOC. NO. 77)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting, in response to Senate Resolution 101 (agreed to on the 12th instant), a statement showing the reductions in personnel, cuts in compensation, and curtailment of activities during the past year in connection with the scientific research and experimentation conducted by the several bureaus of the Department of Commerce, which, with the accompanying paper, was ordered to lie on the table and to be printed.

RATIFICATION BY NEW JERSEY OF THE CHILD-LABOR AMENDMENT TO THE CONSTITUTION

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of New Jersey, ratifying the proposed amendment to the Constitution of the United States empowering the Congress to limit, regulate, and prohibit the labor of persons under 18 years of age, which, with the accompanying paper, was ordered to lie on the table and to be printed in the RECORD, as follows:

Concurrent resolution ratifying the proposed amendment to the Constitution of the United States empowering the Congress to limit, regulate, and prohibit the labor of persons under 18 years of age

Whereas at the first session of the Sixty-eighth Congress it was resolved by the Senate and House of Representatives of the United States of America, in Congress assembled (two thirds of each House concurring therein), that the following article be proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three fourths of the several States, shall be valid to all intents and purposes as a part of the said Constitution, namely:

"ARTICLE —

"1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"2. The power of the several States is unimpaired by this article, except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress":

Therefore be it

Resolved (if the house of assembly concur), That the Legislature of the State of New Jersey does hereby ratify the above-recited proposed amendment to the Constitution of the United States; and be it further

Resolved (if the assembly concur), That the secretary of state be required to transmit forthwith a copy of these resolutions and preamble to the Secretary of State of the United States at Washington, to the Presiding Officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

STATE OF NEW JERSEY,
DEPARTMENT OF STATE.

I, Thomas A. Mathis, secretary of state of the State of New Jersey, do hereby certify that there has been filed in my office on June 14, 1933, Senate Concurrent Resolution No. 4 as passed by the Senate of New Jersey on June 5, 1933, and duly attested by the president of the senate and passed by the house of general assembly on June 12, 1933, and duly attested by the speaker of the house of general assembly, the same being a ratification of a "Concurrent resolution ratifying the proposed amendment to the Constitution of the United States empowering the Congress to limit, regulate, and prohibit the labor of persons under 18 years of age."

In testimony whereof I have hereunto set my hand and affixed my official seal at Trenton this 14th day of June A.D. 1933.

[SEAL] THOMAS A. MATHIS,
Secretary of State.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a petition of several citizens of Shreveport and vicinity, in the State of Louisiana, praying for a senatorial investigation relative to alleged acts and conduct of Hon. HUEY P. LONG, a Senator from the State of Louisiana, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the South Jersey Federation of Veterans, of Camden, N.J., endorsing House bill 5755, the national industrial recovery bill, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the executive committee of the American Museum of Natural History, of New York City, N.Y., protesting against the proposed abolition of the Alaska Game Commission and endorsing the present administration of the commission, which was referred to the Committee on Territories and Insular Affairs.

Mr. BARBOUR presented a resolution adopted at a meeting of the Middlesex County Board, Ancient Order of Hibernians in America, at Perth Amboy, N.J., opposing the cancelation or further reduction of war debts owed to the United States by foreign nations, which was referred to the Committee on Finance.

Mr. COSTIGAN. Mr. President, I send to the desk and ask to have noted in the RECORD and appropriately referred a memorial to the Congress signed by Mr. James A. Davis and approximately 590 other members or friends of the Aurora Chapter of the Disabled American Veterans of the World War, of Aurora, Colo. The memorial protests against drastic cuts in veterans' compensation, reduced hospitalization for deserving patients whose disabilities are traceable to military service, any change in the former presumptive provisions of law with respect to veterans, and any statutory declaration treating November 11, 1918, as the date of termination of the World War, since service men were under war-time regulations after that date.

The memorial of James A. Davis and sundry other members and friends of Aurora Chapter No. 3, the Disabled American Veterans of the World War, of Aurora, Colo., presented by Mr. COSTIGAN, remonstrating against drastic cuts in veterans' benefits, reduced hospitalization, etc., was referred to the Committee on Finance.

REPORT OF THE INDIAN AFFAIRS COMMITTEE

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 326) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement, reported it without amendment and submitted a report (No. 146) thereon.

BILLS INTRODUCED

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

By Mr. JOHNSON:

A bill (S. 1952) to provide for the selection of certain lands in the State of California for the use of the California State park system;

A bill (S. 1953) to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933; and

A bill (S. 1954) to provide for the selection of certain islands, rocks, and pinnacles situated in the Pacific Ocean, south of the mouth of Carmel River, State of California, for the use of the California State park system; to the Committee on Public Lands and Surveys.

FOURTH DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. BRATTON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on House bill 6034, being the fourth deficiency appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and lays before the Senate the conference report, which will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6034) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appro-

priations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 9, 11, and 12.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, and 10, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$1,460"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 5, 6, 7, 13, and 14.

SAM G. BRATTON,
CARTER GLASS,
KENNETH MCKELLAR,
FREDERICK HALE,
Managers on the part of the Senate.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. B. OLIVER,
W. A. AYRES,
Managers on the part of the House.

Mr. BRATTON. I move that the Senate agree to the report.

The VICE PRESIDENT. The question is on the motion of the Senator from New Mexico.

Mr. FRAZIER. Mr. President, I am particularly interested in amendment numbered 9, providing an appropriation of $300,000 out of the money that is left over from the feed and seed loan appropriation of last spring for the use of the Secretary of Agriculture in loaning to counties to aid in the work of the control and eradication of grasshoppers.

Mr. President, we have a real emergency in North Dakota. I have a telegram from the Governor of the State saying that 30 counties are affected and must have Federal aid, because, as a result of the drought from which the farmers have suffered during the past 3 years, they have no money with which to buy poison and bran with which to exterminate the grasshoppers.

The farmers in that section have a good prospect for crops this year. They have borrowed out of the crop production loan appropriation a little over $2,000,000, and, of course, the farmers have given mortgages on their crops to the Government for the payment of those loans. Now, in some 28 or 30 counties, more than half of the State, the grasshoppers are so thick that the report is that they will clean up anywhere from 30 to 50 percent of the grain in those counties. If that should happen, and if they cannot get an appropriation or assistance from the Government to enable them to fight the pest, the security on these Government loans is not going to amount to much.

I secured a similar amendment for the same purpose in the farm credit bill which was passed on Saturday, but the item was cut out by the House conferees, as it has again been cut out by the House conferees in this deficiency bill.

I wish also to call attention to another amendment in this bill. I refer to the amendment which provides for an increase of $3,000,000 to be loaned through the Reconstruction Finance Corporation to cities where there had been destruction by fire or other disaster. That amendment was left in the bill providing $3,000,000 of loans to cities to rebuild. I have no objection to that; they should have it and are entitled to it under present hard conditions; but when the farmers need a little money—$300,000 is all that we ask for, to fight the grasshopper pest to protect the crops on practically all of which the Government has a mortgage—it seems to me rather strange that the House conferees would allow the $3,000,000 item to go through and strike out the $300,000 item.

Mr. President, the statement was made by some of the Members of the House that the conferees on the part of the Senate did not make any particular effort to retain this amendment in the bill. I should like to ask the chairman of the conference committee, the Senator from New Mexico, what the situation was in regard to these amendments in the conference.

Mr. BRATTON. Mr. President, I shall be glad to do so. When this amendment was reached the conferees on the part of the House stated that this question came before the House two or three times last year; that the situation in the Northwest was more acute then than it is now; and that, despite that fact, the House voted affirmatively against an appropriation for this purpose. They took the position that they would not concur in this amendment, and, of course, they were fortified by those votes in the House. With that situation confronting us, and after discussing the matter, the Senate conferees receded. I will say to my friend from North Dakota that it was my confident belief that under the circumstances the House conferees would not yield on the amendment.

Mr. FRAZIER. Mr. President, I am glad to have that explanation from the Senator from New Mexico. The statement about the situation being more acute last year than this year is not correct. Perhaps the grasshoppers covered a much larger territory last year, but the situation this year is more acute where the grasshoppers are infesting the country, because of conditions generally being worse than they were a year ago. After we were turned down last year in the matter of procuring an appropriation, the counties themselves in most cases raised money to fight the plague and succeeded fairly well, but in some 28 or 30 counties of North Dakota, and also in some counties in Montana, South Dakota, and western Minnesota, this year the complaint still exists. The counties have gone the limit. In the northwestern part of our State they have had no crop practically for 3 years.

Mr. BRATTON. The senior Senator from North Dakota has endeavored earnestly on repeated occasions to obtain loans for the purpose referred to. I want to commend him for the diligence with which he has endeavored to obtain relief for the farmers in his State. May I ask the Senator from North Dakota whether the House voted on this question two or three times last year?

Mr. FRAZIER. Last year in the regular agricultural appropriation bill there was a provision for an amount to be used for fighting grasshoppers. The conferees on the part of the House objected to it. It was sent back, as I recall, three times, and I think they finally voted on it in the House a year ago.

Mr. BRATTON. The conferees made reference to that vote. My memory is that they said they had voted on it twice, though I may be in error about that. At any rate they referred to the fact that a record vote was taken on it in the House, and in view of that fact they took the position that they could not accept the amendment.

Again I want to commend the Senator from North Dakota for the earnestness and diligence with which he has sought to obtain relief for the farmers in his State.

Mr. FRAZIER. Mr. President, I appreciate the Senator's kind words, but they will not do the farmers much good when their crops are being eaten up by grasshoppers. My earnest desire is to get some money to loan to those counties to enable them to fight the grasshoppers. The Governor has said it would mean the destruction of several hundred thousand acres of wheat and more than a million-dollar loss for the farmers this fall. The president of the Agricultural College of North Dakota states that at least 28 counties are infested from 15 to 50 percent. In practically all cases the counties are absolutely unable to furnish the money to buy the poison and other ingredients that are necessary to use in fighting this pest.

The Governor of North Dakota wired to the President, and the President referred the telegram to the Secretary of Agriculture. The Secretary of Agriculture went through his records and found that there was no money available for this purpose. He wired back to the Governor of North Dakota that they might have some men out of the reforesta-

tion camps to spread the poison, but said there was no Federal money available for that purpose. The Secretary of Agriculture kindly agreed to take up the matter with the Reconstruction Finance Corporation and see if some money could be obtained from that source, but up to date nothing has been accomplished.

It would seem, therefore, that this amendment is the only way to take care of the situation. The State president of the Farmers' Union organization of North Dakota is in the city. He also makes the statement that the grasshoppers are a real menace this year and will likely wipe out the crops in practically the whole northwest quarter of the State. It is absolutely necessary to have this money to fight the grasshoppers. Unless something is done along this line it means a cleaning-up of the farmers in pretty nearly half of North Dakota where they have had poor crops for 3 years in succession. It means they are going down and out. They are discouraged, and that is the sad part of it. They have been organizing the farmers' holiday movement during the past few months.

A wire yesterday from the president of that organization complains that through the barnyard loans that have been made during the past few months, the money from the clips of wool of the sheep that are security for the loans, all goes in payment of the mortgages, and farmers cannot have any of that money to buy groceries and other necessities of life. I took it up yesterday with the Department and they referred it to their attorney. The attorney wrote me this morning, saying that under the contract the wool must go for the payment of the loans, and they cannot do anything about it. He said it might be possible that they could get further loans.

Mr. President, the farmers are not in a mood to stand this situation much longer. It is a sad commentary on existing conditions when American farmers are ready to take their shotguns or rifles or any other available weapon on their shoulders and go out to fight for the protection of their homes and families. They believe they have been treated unfairly and unjustly and that the Government is responsible for conditions as they exist today.

A few days ago we passed the industrial recovery bill. In that bill provision was made for the fixing of prices of products which the industries of the Nation sell, the prices for manufacturers, wholesalers, and retailers. Under the provisions of that bill a price can be set upon those products based upon cost of production plus a fair profit, with fixed penalties for violations. What was done here by the United States Congress, by the Senate itself, when the farm bill was up a few weeks ago? When the farm bill came before the Senate a cost-of-production provision for farm products was adopted. It went to the House and was stricken out there because it was said the President and the Secretary of Agriculture were opposed to it. That matter then came back for a vote on the floor of the Senate when the conference report was under consideration, and the action of the House was concurred in. Cost of production for farmers went out of the bill. But when the industrial bill comes up before the Senate authorizing the administration to make investigations and to fix prices and to sell manufactured products at a price based on cost of production and a fair profit, then the Senate and the House and the President all approve it.

It is very well to do something for industry, to give them cost of production, to give them what they want, to give the cities plenty of money to rebuild where they have suffered from calamities of various kinds. That is all right; but, Mr. President, the people who produce the wealth of the Nation, the food products and the food of the Nation, are not being given the same consideration that is given to the business interests of the Nation by the Congress. Our farmers are not getting a square deal at the hands of Congress.

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

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. FRAZIER. I yield.

Mr. KING. Does not the Senator think that the Congress has been very liberal during the past 3 years in dealing with agriculture? The Senator will recall that one of the soundest men we have had in the Senate since I have been here was MAGNUS JOHNSON, former Senator from Minnesota. He was a hard-fisted farmer, a man who knew the soil, a man who knew the problems of agriculture. He begged the Senate to cease its gratuities and loans to the farmers. He said the curse of the country, particularly agriculture, was that too much money had been loaned. The Senator will recall that his own President, President Hoover——

Mr. FRAZIER. O Mr. President, I do not take the blame or the responsibility for anything President Hoover did. The Senator from Virginia [Mr. GLASS] yesterday said the President in the White House now has the same views as the former President.

Mr. KING. I am not responsible for the utterances of the Senator from Virginia, although I say very frankly that his utterances in this body are such that almost any man could be proud of them.

President Hoover, after consulting with the leading representatives of the farmers, evolved with their aid and their support the so-called "farm bill." That was to aid agriculture. That was to aid cooperative organizations throughout the Nation, and cooperatives were formed, and loans were made to the farmers, the woolmen, the stockmen, the agriculturists of all kinds in all parts of the United States. Approximately $400,000,000 was to have been expended for and in behalf of agriculture. In addition to that, other laws have been enacted granting relief to farmers. Loans have been made to them. Recently we appropriated $100,000,000 to aid them in purchasing seed. Last year a large appropriation was made to aid the farmers in purchasing seed. Prior to that, for a number of years preceding, loans had been made, and loans have been made to the farmers so that their farms today, unfortunately, are mortgaged heavily. I think the Federal Government, by and large, has dealt very generously with the farmers of the Nation.

Mr. FRAZIER. Mr. President, of course the Government has been generous in some ways. There have been seed loans, to be sure, but it is an indictment of our whole system, that because we have had a crop failure for a year or two the farmer should be obliged to come and ask for Federal aid.

The Senator from Utah talks about the Farm Board and the Farm Marketing Act. It will be remembered that the Farm Board tried to stabilize the price of wheat. They succeeded for some time in keeping the price of wheat up around 75 cents a bushel when it was 20 to 30 cents lower in Liverpool than in the United States. They kept the price above the Liverpool market most of the time the Board was functioning. They tried to stabilize the price of wheat and a good deal of money was used, but all at once they backed up and stopped buying on the market to stabilize the prices.

Why? It was because a group of grain men from the great milling and grain centers of the country came to Washington and, with the aid of Julius Barnes, who was at that time president of the National Chamber of Commerce, lined up the National Chamber of Commerce against the Farm Marketing Act and the Farm Board. They went to the White House. Nobody ever found out, so far as I know, what happened at the White House, but the result of it was that the Farm Board were called off, and they had to back up on their efforts to stabilize the prices of wheat and cotton. Still the Farm Board and the Farm Marketing Act are given the blame of being a failure and for the expenditure of a lot of money. They did lose some money, but I am satisfied that if the Farm Board had been allowed to continue and had been given a free hand, they would have made a success of the Farm Marketing Act.

Mr. President, I should like to amend the Senator's motion to adopt the conference report by providing that the conference report be recommitted. It seems to me that it is absolutely foolish on the part of the United States Congress

to turn down a small loan of $300,000 to help the farmers in their existing problems. The grasshoppers are destroying the crops and the security which the Government holds is thereby being eliminated.

The PRESIDING OFFICER. What is the motion of the Senator?

Mr. FRAZIER. To substitute for the motion of the Senator from New Mexico a motion to recommit the bill.

The PRESIDING OFFICER. The Chair is advised that under the rules where one House has approved a conference report, it cannot be recommitted.

Mr. FRAZIER. Then certainly the conference report ought to be rejected, and sent back in that way.

Mr. KING. Mr. President, I shall not move to reject the report because of the exclusion from the bill of a small appropriation which the Senate incorporated within it. I do desire, however, in behalf of the people of the District of Columbia, to express regret that the conferees receded from the amendment which was offered to the bill appropriating $2,500 for an investigation by the Public Utilities Commission of housing conditions and rentals in the District of Columbia.

Briefly let me state the purpose to which the appropriation was to be devoted.

Recently the District Committee of the Senate made an investigation of rental conditions in the District of Columbia. It was contended by many residents of the District that the housing conditions were unsatisfactory, that rentals were too high, that mortgage foreclosures were being made not by court decree but under the strict foreclosure system, and that no opportunity for redemption was given under the laws in the District of Columbia.

The committee made a rather thorough investigation and submitted a report, which included recommendations. Because of the fact that this session was called to deal with important national and international problems, the committee has had no opportunity to submit measures in harmony with the recommendations referred to or to offer other measures dealing with the situation.

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

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

Mr. KING. I yield to the Senator.

Mr. NORRIS. I think everybody in the District is greatly interested in the investigation which is being made; but, so far as I have been able to observe, there was never anything brought before us in the shape of a bill to remedy the situation. It did not do much good to be reminded every morning in the columns of the papers that we were all paying twice as much rent as we thought we ought to pay when no remedy was suggested. What has the committee done in the way of bringing relief to this situation?

Mr. KING. Mr. President, after the report of the committee to which I have referred, a subcommittee was appointed to study the recommendations made and formulate such measures to carry into execution, so far as possible, the recommendations of the subcommittee as it might deem proper and necessary. I may say that I think the stress of business during this session, and the fact that it was called, as I stated a moment ago, to consider measures of an extraordinary character submitted by the President, has prevented action by the subcommittee; I acquit them of any dereliction of duty in failing to submit measures for the consideration of Congress. It is quite likely that when we meet in January measures will be submitted. The Senator from Kansas [Mr. CAPPER] a few days ago submitted a resolution to aid in the execution of some of the recommendations of the committee, and as a companion measure I offered a bill appropriating $2,500 to aid the Public Utilities Commission in continuing the investigation as to rents, in order that when we meet in January additional data will be available to the District Committee to aid it in preparing bills for the consideration of Congress.

The appropriation of $2,500 was to enable the Public Utilities Commission to employ an individual to receive complaints, to examine into housing and rent conditions during the summer, and to keep current the data which may be helpful to the District Committee. The Senate passed the resolution carrying an appropriation of $2,500 for that purpose.

Mr. NORRIS. That was incorporated in this bill?

Mr. KING. It was carried in the bill, but was stricken out in conference.

Mr. NORRIS. Now I should like to ask the Senator another question. Either as chairman of the committee or as a member of it, has he or any subcommittee or subcommittees of the District of Columbia Committee gone into the legal phases of the question to ascertain what, if any, authority Congress has to pass legislation that shall arbitrarily reduce rents in the District of Columbia?

Mr. KING. If the Senator will pardon me, I think he uses rather too strong a term when he says "arbitrarily." I suppose he means "legally." The Senator from New York [Mr. COPELAND] has given a great deal of attention to this subject, and he takes the position that Congress has plenary power to deal with the question of rents in the District of Columbia.

Mr. NORRIS. During the war, as I remember, we passed some legislation on this subject applying to the District of Columbia. As I remember, the courts held that that was constitutional, although it was fought on that ground in the courts. Am I correct?

Mr. KING. It is my recollection that the case did not reach the Supreme Court of the United States.

Mr. NORRIS. I think it went to the Supreme Court of the United States.

Mr. KING. My memory may be at fault in that regard.

Mr. NORRIS. And I believe they held that we had the authority. If that is true, I do not see why the committee should delay so long, or why any investigation really would be necessary to pass the proper legislation that would give relief.

Mr. KING. If the Senator will yield, I will ask my friend from New York to answer that question, because he followed that phase of it before the committee.

Mr. COPELAND. Mr. President, this matter has been of great interest to me for years. We had problems like this in New York when I was commissioner of health, and we ventured there to pass certain rent laws which went to the Supreme Court and were sustained.

I have no doubt at all that in the District of Columbia, under the Constitution, Congress has the same power that it has over forts and lighthouses, and, of course, over territory. When I first came into the Congress about 10 years ago we had a joint commission of the two Houses to study the rent question in the District, and at that time it was the view of eminent lawyers like Judge Hammer, of North Carolina, and other members of the committee that we had the power to regulate rents in the District.

I was very much disappointed, as a member of this latest committee, that the legal talent representing the Public Utilities Commission and the people's counsel both took the position that we could not do this. I dispute with all the strength I have that we are so helpless in the District of Columbia that we cannot go very far in the matter of regulating rents. It is conceivable that the rents in the District might be made so high that actually Government would break down, because the employees could not afford to live here; and, to my mind, it is unthinkable that the Congress is helpless in the face of an intolerable situation.

Mr. BORAH. Mr. President——

Mr. KING. I yield to the Senator from Idaho.

Mr. BORAH. If we can pass a law here which authorizes the National Government to go into my State and take charge of a private concern doing an intrastate business and conduct it, is there any possible doubt that we can take charge of the District of Columbia, and do anything which the wisdom or unwisdom of Congress suggests?

Why talk about the Constitution at this time after what we have assumed to do at this session? True, the Supreme Court may bring us back to the fundamental principles

upon which this Government was founded and under which we have grown to our present greatness. Let us hope so.

Mr. COPELAND. I agree with the Senator. We have a precedent for almost anything along that line.

Mr. NORRIS. Mr. President, may I interrupt again?

Mr. KING. I yield to the Senator from Nebraska.

Mr. NORRIS. Under the Constitution, Congress was given jurisdiction over a district that was afterward selected, and now constitutes the District of Columbia, and that was designated as the seat of the National Government. If we had an unfriendly Government in the District, and Congress had no power to interfere with it, it would be possible for them absolutely to nullify the acts of Congress, not in relation to the District but in any other respect. That would make it impossible for Congress, if they wanted to go to the limit, to transact the business of the Nation; and I always conceived that the reason why the power to control this District was put in Congress was as a matter of national protection. I do not believe that the law that applies ordinarily in a State constitution to a city has any application to the condition as between the National Government and the District. I think that was really decided by the Supreme Court.

The point I am trying to raise is, Why go over it all again? If the committee thinks it is necessary and the Congress thinks it is necessary to pass a law to protect not only Congress but all of the officials of the National Government, who must be here and cannot help themselves, and if we have that authority, why is it necessary to spend a lot of money and 2 or 3 years' time to investigate?

I take it that the law, if we should pass one, would be one that was supposed to be just by Congress in passing it. It would not do an injustice to anybody. I cannot understand why it is necessary for the committee to take 2 or 3 years' time to bring in a bill that will do justice both to those who own the property and to the people who have to live in the property.

Mr. KING. May I say to my friend from Nebraska—I will yield to the Senator from New York in a moment—that the appropriation which we sought was not so much for further investigation as it was to keep current information concerning rental and housing conditions in the District and to establish a sort of a liaison officer between the landlord and the tenant. As evidence of the wisdom of such a course, permit me to refer to conditions affecting the chairman of the committee. Scarcely a day passes that I do not receive complaints from tenants in regard to controversies with landlords or appeals for and in securing rent reductions. Obviously, it is not within my power to afford relief. I cannot visit every landlord, although I will say that I have communicated with several for the purpose of securing relief for tenants. The committee believed that if the Public Utilities Commission were given authority to receive complaints, to keep current the questions that are cognate to this matter, to have some person possessing tact and diplomacy and common sense, much good would be accomplished, and many landlords and tenants would be brought into accord.

One other observation: The Senator stated that he believed that the object of establishing the District of Columbia was so that the Government would have some place where it would be supreme. Pertinent to that remark, I may say that when I was in Germany a few years ago when the Ebert Constitution was in force I was talking with officials of the Government, and one of the associates of the President said that our Government occupied a more favorable position than did the Government of Germany in this, that the seat of government in the United States was under the control of the Federal Government, whereas the seat of the German National Government was in Berlin, which was not controlled by the National Government; that the Federal Government of Germany depended upon the police of Berlin for general protection.

Our fathers were wise in selecting a place for the National Capital over which Congress should have exclusive jurisdiction.

Mr. COPELAND. Mr. President, I do not see how anyone who knows the history of the designation of a district as the seat of government could fail to believe that the Congress has exclusive jurisdiction and exclusive power within this District. It will be recalled that the Congress was meeting in Philadelphia after the Revolutionary War, following the armistice, waiting for the treaty to be signed in November, and that the soldiers became greatly discontented because they were not paid. Senators will remember the difficulty Washington had at Newburgh. A company of soldiers actually marched into the seat of government in Philadelphia and told Congress in so many words exactly what they thought of them. There have been groups in modern times desirous of doing the same thing. When Congress attempted to get protection it appealed first to the mayor of Philadelphia and could get no relief, then appealed to the Governor of Pennsylvania and could get no relief; so Congress went over to Trenton, N.J., to continue its deliberations where they might get protection. I say this without any intention at all to offend my friends from the State of Pennsylvania.

Many of the men who were in that Congress were afterward members of the Constitutional Convention of 1787, and I can quite understand how they said, "We will have one place where the Congress shall have exclusive power." So they gave exclusive jurisdiction over the proposed seat of government to the Federal Government, as is provided in the Constitution.

Personally I have no doubt, not so much as a result of my own research, which would be of small consequence, but upon the testimony of eminent lawyers, that there is this power. I have no question at all but that the Congress can exercise this power, within reasonable limits, within the confines of the District of Columbia and give protection to the people here.

We sat in the hearings this time for a long period, and, as I said before, I had served on a previous committee 10 years ago investigating the same subject. There is no doubt at all but that the rents in many of the apartment houses in this District are excessive, and it is a burdensome thing to the employees of the District. When we have chosen, because of the need of economy, to reduce the wages of these employees, we ought to see to it that there is protection for them and that they have decent rentals.

I was disappointed when I read the conference report and found that this particular item had been omitted, but I have no doubt that our conferees did the best they could to retain it.

Mr. BRATTON. Mr. President, the amendment was in order because the Senate had passed an authorizing measure during this session. The Senator is familiar with the fact that the House conferees take the position, however, that they will not accept an amendment unless the House has acted on the authorizing legislation. In harmony with that attitude, they took the position this time that they could not accept the amendment; and while I recognize the force of everything the Senator from New York and the Senator from Utah have said, we were confronted with that situation.

Mr. COPELAND. I assume, too, that was the reason why the appropriation for the Pan American Medical Congress failed; it was for the same reason?

Mr. BRATTON. Yes.

REORGANIZATION OF EXECUTIVE DEPARTMENTS

Mr. LOGAN. Mr. President, I do not want to talk about the fight on the grasshoppers, but since we have appropriated money for nearly everything else anybody has asked us to appropriate for, I see no reason why we should not help the Senator from North Dakota to fight grasshoppers. Nor do I desire to discuss particularly the question of regulating rents. As we have undertaken to regulate everything else, we might try that. Why should we consider the Constitution any longer? We used to say that it did not amount to anything among friends. I do not think it amounts to anything among enemies now, so far as the Congress is concerned, or appears to be concerned.

I desire to say a few words about the reorganization order of the President of June 10.

When I first entered upon my duties in this body I was impressed with the need for reorganization of the activities in the executive branch of the Federal Government in the interest of economy in public expenditures, in the interest of increased efficiency in the discharge of the public duties entrusted by law to those in charge of such activities, in the interest of greater dispatch in the conduct of the public business, and in the interest of elimination of duplication in personnel, office equipment, rent, and other such expenses. After checking my ideas against those of others in whom I had confidence I introduced in the Seventy-first Congress a number of bills to effect some of the needed reorganizations and I offered a number of amendments for the same purpose to the legislative economy bill which became the act of June 30, 1932.

These bills encountered opposition on the part of the services to be reorganized and I did not press them for the reason that in the legislative economy bill which became the act of June 10, 1932, there was conferred on President Hoover requested authority to reorganize the executive agencies of the Government, but this authority to him was coupled with the limitation that his reorganization could be set aside by a resolution of either House of Congress. President Hoover sent to the Congress certain Executive orders effecting certain reorganizations, but they did not go into effect because of a resolution passed by the other House.

There have been bills in the Congress from time to time since the first administration of Grover Cleveland to reorganize certain branches of the executive service, but these bills have encountered the determined opposition of the Federal employees affected thereby and many interests outside of the Government have rallied to the support of their projects in the Federal service. We know that the force of such combined opposition has been and is such that little headway can be made in the Congress in the reorganization of the Government services. All of these factors aided in the passage of the resolution setting aside the reorganization orders of President Hoover after the Congress had conferred on him the authority to make the reorganization, though it must be admitted that for the most part his orders were for shifting of bureaus, with little, if any, attention to reorganization of the work of the Government along unifunctional lines.

Knowing as we did the forces hostile to any reorganization, we conferred on President Roosevelt similar authority to that conferred on President Hoover, but without the limitation that such authority could be rendered nugatory by a resolution of either House of the Congress. We provided in the Treasury-Post Office bill for the fiscal year 1932, the act of March 3, 1933, Public, No. 428, that such reorganization could not be set aside except as the result of an act of the Congress, which means that if the President is steadfast in his purpose, a two-thirds vote of both Houses of Congress is required to set aside such reorganization as he may make under the authority conferred on him. That is, any bill which we may pass to modify or render nugatory his reorganization orders will doubtless meet with his veto, and to overcome the veto there will be needed a two-thirds vote of each House.

Having granted this authority to the President after repeated demonstrations that the forces inside and outside of the Congress were sufficiently potent to prevent any reorganization under legislative authority, why should Members of the Senate complain when the President exercises that authority? We gave him that authority in the confident expectation that he would exercise it. We may complain that he has waited until a few hours before adjournment to send his reorganization orders here, and without criticizing the President for such delay it is my judgment that any feeling about this phase of the matter should not influence this body in the consideration of the merits of these orders. We know that since March 4 the President and his advisers have been exceedingly busy with attempts to bring back some measure of economic recovery to the country and this has been a stupendous task. He has stated in his message that his delay in sending here his reorganization orders for the few services now included therein has been due to the press of other duties and I, for one, am willing to concede that the record amply supports him in his explanation of the delay.

Also, I am willing to concede that there may be honest differences of opinion as to the merits of some of the proposed consolidations and eliminations made in this particular reorganization order. This entire subject is a controversial one and, as I have stated, it was solely because of such controversies that the Congress has been unable during many years to effect reorganization by statutes for that purpose. Perhaps I would not make all of the changes which the President proposes to make in this order. Other Senators might approve what I would disapprove and disapprove what I would approve. However, I do not hesitate to state that in my opinion the President has done an excellent job thus far under the authority which we have given him in the law and that the consolidations and eliminations which he has made in this order should make for genuine and substantial economy and efficiency in the expenditure of public funds.

Let me illustrate. The President proposes in this order to consolidate all of the disbursements of public funds under the Treasury Department. Will anyone say that such a proposal is not in the interest of economy and efficiency? We now have upward of 2,000 disbursing officers in the continental United States. We have in New York City, in Philadelphia, in San Francisco, in New Orleans, and in fact in practically every city of any consequence in this country as many disbursing officers as we have activities in such cities. We have more than 100 disbursing officers in the city of New York alone. The Post Office Department has several there; the Army has several; the Navy has several; and so on down the line for the Departments of Labor, Justice, Agriculture, and so forth. Not only that, but as we know the departments and independent establishments of the Government are generally divided into bureaus and divisions, and many of these suborganizations of the departments and establishments have their own disbursing officers. When I say "disbursing officers" I mean a man or woman who actually signs the checks, with frequently a number of assistants, clerks, stenographers, offices, rent for quarters, and all of the incidental expenses connected with such offices.

A few months ago the senior Senator from Michigan [Mr. VANDENBERG] placed in the CONGRESSIONAL RECORD a list of the numerous agencies of the various departments and establishments of the United States located in some of the foreign capitals. He did not list all of them. It is a significant fact that each one of those separate activities in foreign capitals has its own disbursing officer, though he may and frequently does perform other duties. However, this does not overcome the duplication in expense for handling separate accounts on the books of the Treasury Department, in the General Accounting Office, and in the departments.

Mr. President, we actually have more clerks in the various departments and establishments of the Government engaged in so-called "administrative examination" of these accounts before they are transmitted to the General Accounting Office for audit and settlement in accordance with law than we had in the entire Government for the first 60 years of its existence! As a matter of fact, there was a period of nearly 50 years in our history—from 1817 to 1865—when we had no such administrative examinations of accounts. I am not going into the merits of an administrative examination of the accounts, except to invite attention to a statement made by Amos Kendall in 1835, when he was Postmaster General, which was recently quoted by former Senator and now Circuit Judge Kenyon, of the Eighth Circuit Court of Appeals, in one of his opinions in the *Lambert Lumber Co. case* to the effect that the checking of accounts by subordinates of the head of a department making the expenditures was worthless for the purpose of preventing illegal and unwise expenditures.

Aside from this tremendous duplication of expense which will be saved under the reorganization order by the substitution of one or two disbursing officers with their assistants, where we now have dozens in the larger cities, a much greater object will be gained. It will no longer be possible for a spending agency of the Government to incur obligations not in accordance with law and the terms of the appropriations and then force its subordinate to draw money from the Treasury to pay such obligation on pain of dismissal from the service or denial of earned promotion. We should not now be confronted with bills for the relief of disbursing officers when they have made illegal or erroneous disbursements of Federal funds. The Comptroller General has recommended such a reform each year for about 10 years, and he has pointed out in his annual reports to the Congress that practically every year he had collected erroneous payments made by disbursing officers substantially equal to the expenses of his office and that there were many other such expenditures which he could not collect because the people who received them were dead, out of business, had become bankrupt, and for other similar reasons.

It is to be expected that the Treasury Department disbursing officers will make no such payments. The contracting agencies of the Government will have to show them before the payment is made that the obligation was legally incurred, and some purpose will now be served by the laborious activities of the Congress in placing restrictions and directions in the law for the expenditure of public money. In my judgment this represents a real constructive reorganization along needed unifunctional lines. Incidentally, I may say that the senior Senator from Utah [Mr. KING] introduced at the last session of the Congress a bill to make such a reorganization of the disbursing services of the Government; that hearings were held on the bill by the Appropriations Committee of the Senate; that the principle thereof was endorsed by the then Republican Secretary of the Treasury, by the Director of the Budget, by the present Comptroller General, and by the present Administrator of Veterans' Affairs. It has now been endorsed by the Democratic administration, and is in no sense a partisan matter.

Again, the President proposes in the order to consolidate the now scattered agencies engaged in the defense of suits against the United States and in the prosecution of suits on behalf of the United States. Possibly many Members of this body, as well as numerous people outside, may be under the belief that all along such activity was in the Department of Justice by virtue of the terms of the 1870 act establishing that Department.

I confess that I thought so, too, until I had studied the matter rather carefully and found that as the result of subsequent statutes this was not true in all cases. For instance, in the matter of tax claims for and against the Government we have attorneys in the office of the General Counsel of the Bureau of Internal Revenue engaged in the trial of cases for and against the Government in the district courts of the United States and before the Board of Tax Appeals; we have the Bureau for Defense of Suits against the United States in the Department of Justice engaged in the defense of such suits in the Court of Claims; and we have another bureau in the Department of Justice, formerly under Mrs. Willebrandt and more lately under Mr. Youngquist, engaged in defending before the various circuit courts of appeal and the Court of Appeals of the District of Columbia the appeals from the Board of Tax Appeals, and, of course, we have the Solicitor General conducting such cases in the Supreme Court of the United States. In addition, we have the attorneys of the Bureau of Internal Revenue defending mandamus and injunction proceedings in the courts of the District of Columbia against the officials of the Bureau of Internal Revenue.

Is there any wonder that there are many conflicting decisions in the courts in internal-revenue cases and that the overhead expenses for attorneys are tremendous in the collection of the revenue? There ought to be but one directing head as to all such litigation, in the interest of uniformity in the presentation of issues to the courts, in the interest of efficiency in the presentation of such issues, and in the interest of economy in expenditures for salaries and expenses of attorneys. As a matter of fact, there should be reforms in the judicial procedure for the presentation of such cases.

What is true of internal-revenue cases is in a large measure true of the vast volume of litigation with the veterans concerning their war-risk-insurance policies, which is now divided between the Veterans' Administration and the Department of Justice, and in numerous other fields which I need not stop to mention. Furthermore, a mistake was made in 1870 in the creation of the Department of Justice by the transfer to that Department of the solicitors of the various departments. This mistake has been corrected from time to time as to all of the solicitors except the Solicitors of the Treasury, Commerce, and Labor. This order corrects it as to these three remaining solicitors, nominally under the Department of Justice but actually appointed on the recommendation of the heads of the departments concerned and performing work for such departments. The court work of the Solicitor of the Treasury, the only one of the three who has any such work, has been retained in the Department of Justice, where it properly belongs.

Then, too, this order places under the Department of Justice the insular courts for the Virgin Islands and for the Panama Canal Zone, as well as the district court for China. There is no more reason why the Virgin Island court should be under the Department of the Interior, the Panama Canal Zone court under the War Department, and the district court for China under the State Department, than there is that the district courts of the United States should be under those departments. Why should not these courts be under the Department of Justice for administrative purposes along with the district, circuit, and other Federal courts of the United States and the district courts for Puerto Rico, Alaska, Hawaii? Probably the President overlooked the United States court for Guam, which should have been included.

There probably can be no objection of any merit on the part of anyone to placing these courts under the Department of Justice for administrative purposes along with the other courts which have been there since their establishment, or since the establishment of the Department of Justice, nor to the retransfer to the departments concerned of the three solicitors who have continued to remain administratively a part of the Department of Justice while actually a part of the departmental machinery to which attached. There should be no sound objections to the consolidation in the Department of Justice of the litigation work now performed by the Bureau of Internal Revenue, the Veterans' Administration, and other administrative agencies of the Government, though here again I think the President should have consolidated with the internal-revenue litigation the customs litigation, which is now under a separate assistant attorney general with offices in New York City. However, that is a detail that can be added later if there be no sound objection to it.

Another major consolidation of great importance made in the order is the consolidation of purchasing agencies of the several departments of the Government under a procurement division in the Treasury Department. We have tried this for a number of years on a limited scale with the general supply committee of that Department, which has purchased office supplies, and so forth, common to two or more departments for the entire Government service here in Washington and for such of the field services of the various departments as voluntarily availed themselves of such facilities. This general supply committee system has worked well, but unfortunately it has not worked uniformly. The Treasury Department, notwithstanding it had the general supply committee, built up over a course of years its own supply division. The Departments of Agriculture, Interior, and some of the other departments, including the Department of Commerce, did the same thing, with the result that in many cases these supply divisions of the various departments making purchases on behalf of their particular department exceeded in size and expense for personnel the general supply committee itself. A number of these supply divisions of

the respective departments are now located in the new Federal warehouse alongside of the general supply committee.

The reorganization order not only proposes to consolidate these purchasing activities but to enlarge them by compulsorily including the field services of the various departments and independent establishments. Not only will this eliminate the tremendous duplication of overhead for personnel but it will tend toward uniformity where uniformity is possible and will prevent various purchasing officers of various departments competing in the market with each other. We had to have a similar consolidation during the World War for the War and Navy Departments under the War Industries Board, and it was found highly desirable, but as soon as the pressure of the war disappeared these departments reverted to their prior procedure. As a matter of fact, a number of the departments have built up and maintained separate contracting and purchasing agencies for their separate bureaus.

Shall we continue with the existing system or lack of system? Shall one department of the Government continue to reject the low bid for the delivery of automobiles, for instance, because the spare tire is mounted on the back of the car instead of being mounted on the fender, while another rejects the low bid because the spare tire is mounted on the fender instead of being mounted at the rear? This has actually happened. Shall we have one department refusing to accept the low bid for the delivery of the same kind of refrigerators as are in use in the White House because they are not good enough for that particular service? Shall specifications continue to be drafted so restrictive of competition that only one manufacturer of shingles can meet them and thus secure all of the business of that particular service, to the loud complaint of, and discrimination against, other manufacturers of shingles?

All these things and many others have happened under the existing lack of coordination and consolidation in the purchasing on behalf of the Government. The President will make it possible to build up a purchasing system for the entire Federal Government comparable to the purchasing systems in use by such well-managed industries as the Ford Motor Co., American Tobacco Co., and so forth. Instead of being condemned for doing those things, he ought to be highly commended, and I do commend him.

These three major consolidations, unification of the disbursing system under the Treasury Department, unification of the purchasing system under the same department where it was in the days of Alexander Hamilton as the result of experience during the War for Independence, and the unification of the litigation in the courts under the Department of Justice, as concerns the now outstanding exceptions of internal-revenue cases and Veterans' Administration cases, represent real accomplishments along unifunctional lines. These are no mere shiftings of bureaus within departments; they follow the procedure of any well-managed industry of placing like duties under one head even though they may serve a number of different divisions of that industry. Too long have the different departments and establishments of the Government refused to cooperate with each other and have conducted themselves in some instances as if they belonged to different governments instead of different divisions of the same executive branch of the same government, and all charged with the performance of their duties as efficiently as possible with the least expense to the taxpayers of this country. These departments will begin to realize this fact under these three major consolidations.

The other consolidations and eliminations are of minor character. In my judgment, all of them are desirable and necessary in the interest of economy and efficiency. I hope that the President will add to the activities of the Federal Board for Vocational Education, transferred to the Interior Department, certain other vocational activities of the Federal Government, such as the Bureau of Home Economics of the Department of Agriculture, the Children's Bureau of the Department of Labor, and similar educational work. He has time to do this, and these matters will doubtless be given consideration before we return in January. The United States Shipping Board should have been abolished years ago and its duties transferred to the Department of Commerce. This board, with its Merchant Fleet Corporation, has been the cause of great losses of public funds.

I am exceedingly well pleased with what the President has done in this reorganization order. True, it is only a beginning, but it is a real beginning.

I might say, however, Mr. President, that I am in entire accord with the resolution offered by the Senator from Idaho [Mr. BORAH] relating to vocational education and similar matters. I think it would probably be unwise to make the very great cut proposed in those appropriations before giving the matter further consideration, as some of the States have already made their plans and those plans would be very seriously interfered with if there should be such a great cut at this time. I think it might well be deferred until Congress shall meet next January, when we can give to the matter further consideration.

I am usually for cutting expenses, but it seems that every time we cut expenses in one place we increase them somewhere else, with the result that when Congress adjourns each time we have larger appropriations than we had at the beginning of the session. I think that has been true for a number of years, and we will have to find some way to remedy that situation. We cannot retain various departments, bureaus, and establishments without making the necessary appropriations to carry them on. Some day I hope a Congress or some President or someone having authority will awaken to the idea that the only way to bring about economy is to start—and that we cannot do it by moving one activity over to another place or just shifting things around.

It seems to me that in the condition in which the Government is at the present time we ought to do something that will bring some real relief. I think if we would abolish the Department of Commerce, and the Department of Agriculture, and the Department of Labor, and a number of other establishments, departments, and bureaus—absolutely abolish them—and say they are at an end, at this time, because we do not have the money with which to pay for carrying on their business—if we could do that, I believe the people of the United States of America would lift their heads and say that at last they had a competent administration and that it was going to do something. I said last winter that the departments of the Government and governmental establishments and bureaus were Frankensteins; that they could not be killed off; and so far there has been very little done along that line. I think the reorganization order of the President is a step in the right direction, and yet it is rather a short step.

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

The PRESIDING OFFICER (Mr. COPELAND in the chair). Does the Senator from Kentucky yield to the Senator from Utah?

Mr. LOGAN. I yield.

Mr. KING. Recalling the last statement of the Senator, in view of the promise which the Democratic Party has made that there would be effective reorganization and drastic economies, does he think that a proposal which contemplates a saving of only $25,000,000 meets the platform pledges and promises of the Democratic Party?

Mr. LOGAN. I said it was a step in the right direction but a very short step. I said more than a year ago—in fact, a year ago last February, I believe—that the expenses of government could be reduced 25 percent, and that the saving as a result thereof would amount to a billion dollars. It can be done, but it cannot be done by reducing expenditures $25,000,000 and increasing them $100,000,000 in some other direction. It seems to me we are making so many appropriations now that all of our talk about balancing the Budget and offering it as an excuse for many of the things we have done is without any real substance. We are not balancing the Budget. We appropriate money every day that we stay here. We are appropriating money without any

hope of raising the necessary revenue to repay. We have no money. The resources of the Government are dried up, the revenues of the Government are drying up, and still we go on in a wild orgy of making appropriations day after day, hoping probably that something will happen and that business will be restored. We cannot restore business that way. We cannot bring back any degree or any very great degree of prosperity by attempting to pay for it with money that we appropriate out of the Treasury of the United States. It simply cannot be done.

All of our great public-building program will probably result in our building many things and spending billions of dollars for things for which we have no need at all, and as soon as it is over we will be right back where we were. We are teaching the people to lean on the Government. We are going to help them in every way. We are going to give them money out of the Treasury. They have leaned so long that they have forgotten how to stand on their own legs. I wish we could do something that would make the people understand that there cannot be happiness or prosperity until men learn to stand on their own feet and fight their own battles.

We are changing our form of government from what it was in the days of the fathers to something that we know not what it is. We are trying to do something which has never been done in any nation in the world. I believe it was old Job who propounded the question, "If a man die, shall he live again?" No one seems to know; but there is one thing we do know, and that is that when a nation dies it never lives again as the same nation.

We have reached the point where the situation seems to be rather desperate, and now we are attempting to move off of the old foundation and leave the Constitution entirely out of consideration, to forget all about State lines, to forget all about individual effort and the rights of individuals, and to have a great supergovernment located in Washington.

We are going to take over rents here in the District of Columbia and regulate them. It is said we have a right to do it, because the Federal Government has exclusive control over the District of Columbia. If the Federal Government had exclusive control over the District of Columbia, it should have said to men, "You cannot acquire property here unless there are certain provisions in the contract which will allow us to regulate the rent." But they have been allowed to acquire property without reservation, and how are we going to regulate their income, because when we take their income we take their property.

Mr. President, I have said more than I intended to say. I do not know where we are going. I do not know where the end will be. There is danger ahead, and danger signals are all along the way. It is very easy to sit here in Washington and say everything is all right because people tell us everything is all right. There is very little improvement in conditions. Whether that improvement will continue or whether we will sink deeper into the gloom no man can say at this time. We are hoping that something may be accomplished which will make the people lift their heads and look their fellow men in the face and go out and fight again. The individual citizen has quit fighting.

I think all honor should be accorded the President of the United States for the fight he is making, but he can accomplish nothing unless something can be done that will make men fight as they fought in the old days—fight for the property they build, fight for liberty and the right to happiness, to stand up and fight for it, and not go running to a government somewhere, the Federal Government or the State legislature, and say, "I am helpless, I am in need, I am in want, and you must give me something." It would be better to let them perish than that they should continue a policy of that kind.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 554. An act providing for the per capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 1650. An act amending section 74 of the Judicial Code, as amended (U.S.C., Annotated, title 28, sec. 147);

S. 1813. An act providing for the sale to Joe Graham Post, No. 119, American Legion, of the lands lying within the Ship Island Military Reservation in the State of Mississippi;

S. 1872. An act to extend the times for commencing and completing the construction of a bridge across the French Broad River on the proposed Morristown-Newport road between Jefferson and Cocke Counties, Tenn.;

H.R. 5091. An act to amend section 289 of the Criminal Code; and

H.R. 5661. An act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

SUGAR TARIFFS AND BOUNTIES

Mr. COSTIGAN. Mr. President, for years Mr. H. E. Miles, the capable and widely respected chairman of the Fair Tariff League, has urged intelligence and integrity in tariff making. He has never failed to recognize that effective tariffs are essentially equivalent to cash bounties. From time to time in published articles he has stressed certain advantages to producers and the public of cash bounties over tariff bounties. At this hour, when our farm relief bill contains provisions for cash bounties on basic agricultural commodities, it is particularly appropriate to make available, and I therefore ask leave to have printed in the RECORD, a recent article by Mr. Miles in which he discusses conclusions he has reached on American tariffs and bounties on sugar.

The article is as follows:

OUR "11-TO-1" SUGAR TARIFF—CONSUMERS ARE TAXED $291,000,000 TO GET $27,815,000 OF TARIFF PROTECTION TO HOME GROWERS—$11 OF TAX TO $1 OF PROTECTION—EVERY ONE HURT EXCEPT THE ISLANDS UNDER OUR SOVEREIGNTY THAT ARE DOUBLY BENEFITED—A 4-TO-1 TARIFF AND BONUS WOULD INCREASE GROWERS' PRICES 60 PERCENT; SAVE CONSUMERS $100,000,000; CHECK EXCESSIVE FREE IMPORTS; AND SAVE CUBA AS PRESENT CONDITIONS REQUIRE

By H. E. Miles, chairman Fair Tariff League

A highly dependable statistical agency has recently prophesied that the Tariff Commission will recommend a reduction of one half cent per pound on Cuban raw; that is, to a tariff against Cuba of 1½ cents.

This would be simple justice to Cuba and to consumers, who would save some $73,000,000. However, it would not, probably, in the least affect the heart of the problem, the approaching destruction of our home growers through the increasing imports from the islands. It would only moderate the islands' profits.

Quotas for the Philippines and Cuba will not help, because they would give a "scarcity" monopoly to home growers and their refiners on one fifth of our consumption for which western refiners would charge the highest prices they dared. With this domestic monopoly the refiners of imported sugar (now under investigation by the Department of Justice for price fixing) would naturally conspire, with a huge increase in the price of imported sugar.

Only governmental control and fixing of prices could prevent, and this is not contemplated, unless, perchance, through the new powers of the Secretary of Agriculture.

Meantime Cuba is ruined, beggared, and in revolution, with armed guards in every passenger car. Our home growers are almost as badly off. The islands are prospering out of proportion.

Some of our growers' best friends are in fear of free sugar, because the growers offer no solution, as 22 of their friends in the Senate did in 1930 when they tried to get a combination of a duty plus a bonus to continental growers.

Is it not unfair that the present tariff requires our consumers to give the islands twice the protection they need? An unwarranted grant to the islands is a blow to home producers. It is encouraging a strong man to destroy a weak one. No one cares what this duty is if it is just to all concerned. I only emphasize that the lower it is, if just, the better for everyone in the States, and every penny of the bounty goes into a farmer's pocket.

For example, with a 1-cent tariff American growers would get one half of it, or, on the basis of 1931–32 production	$13,907,000
In addition a bonus of 1½ cents per pound, sugar content	31,723,000
Total bonus plus tariff	45,630,000
Present gain to growers from the tariff	27,815,500

Can you imagine better fortune? It would increase the price of beets 60 percent. It would please consumers by a saving of

$100,000,000. It would check the Philippines decidedly, while leaving them prosperous. It would save Cuba and increase her import duties to about twice what would be required to pay the bounties. Who could complain? Contrast this with the present situation as disclosed in the following tables.

With the price of raw sugar in New York Harbor subject to duty, June 15, 1932, 1.335 cents, or 47 percent above the 1932 average, it might be difficult to justify a 1½-cent bonus to some people, because this 47-percent increase applies to beets and is a big total. If the bonus were only 1¼ cents, it would give growers $40,000,000, or only $5,300,000 less than a 1½-cent bonus, and their income, including the increased international price, would be greater than the $45,630,000 above estimated.

Note that an increase of one-fourth cent per pound, $7,946,000, in a direct bonus to home producers would cost consumers only $6,300,000, while the same increase through a customs tariff would cost consumers $63,000,000, because it would apply to all imports.

Change the figures, if you will, and you won't materially change the results. The above figures will give domestic growers decidedly more than the present tariff plus their possible gain under the new law that enables the Secretary of Agriculture to lift 1932 prices to 1926. On the other hand, to lift them in this way under the present tariff—i. e., from 92 cents raw in New York in 1932 to $2.59 in 1926—would cost consumers some $241,000,000, and four fifths or more of the new levy would be sent overseas. Of this $241,000,000 home growers would get only $22,000,000.

Adding this new tax to the present tariff would make consumers pay sugar taxes of approximately $532,000,000 to get $47,000,000 to continental growers. How long would they stand for this?

The bonus would not increase consumers' prices, as Alexander Hamilton insistently proclaimed in preferring bonuses to protective duties. The bonus method costs exceedingly little compared to the tariff method, especially on sugar.

Surely Congress will no longer fear the word "bonus" now that it is indirectly about to give billions as a bonus to farmers (without using the word, however) and is about to do the same for manufacturers and wage earners.

The present sugar tariff—Profit and loss to States and Nation

(Basis: Average price, 1932, Cuban raw, 92 cents per 100 pounds in New York subject to duty, and 80 cents in Cuba)

Value of United States crop, international basis:	
Beets	$22,719,000
Cane	2,871,000
Total, beets and cane	25,590,000
Tariff bonus to United States:	
Beet growers [1]	24,695,000
Cane growers	3,120,500
Total to United States growers	27,815,500
Tariff bonus to island possessions, for private use	116,000,000

Bonus to islands is four times greater than to home growers and increasing twelve to fifteen millions annually, with slight increase to home growers.

Tariff revenue to Government, for public use, $73,176,000.

Tariff revenue to Government decreasing about fifteen millions annually.

Cost of tariff to consumers, $291,000,000.

The sugar tariff—Profit and loss to sugar-growing States

[Figures in thousands of dollars; 000 omitted]

Sugar-producing States	Value of crop	Cost of tariff		Tariff bonus to growers 1 cent per pound	Percentage of tillable land in beets
		To State as consumer	To farmers as consumers		
	(1)	(2)	(3)	(4)	(5)
Mountain States [a]	15,752	9,636	3,385	17,122	1.04
7 States east of Missouri River and Washington [b]	3,675	55,067	13,888	3,995	(c)
California	3,292	13,247	1,448	3,578	1.07
Total, beets	22,719	77,950	18,721	24,695	.78
Cane, Louisiana	2,871	4,904	1,938	3,120	.36
Total, beets and cane	[d] 25,590	82,854	20,659	27,815	

[a] Colorado, Utah, Idaho, Wyoming, Montana, and northwestern Nebraska.

[b] Michigan, Ohio, Iowa, Minnesota, Wisconsin, Kansas, South Dakota, and Washington. Michigan produces 43 percent of all the sugar beets in this area, value, international basis, $1,595,000 in 1932. The other States produce so little that they are not shown separately, but as "Other States", value of crop $2,080,000.

[c] Michigan slightly over one fourth of 1 acre per 100 acres of tillable land. The average per farm growing sugar has been said to be about 3 acres. The average acreage per farm growing sugar in the other States is negligible. For instance, in Ohio, the second greatest producer, in 1929, only 1 acre in 600 of the crop lands was in beets. Among the larger producers, 4 farms on a total of 27 acres raised 208 tons. 2 farms on a total of 1 acre raised 9 tons. The tariff bonus costs the States in this group $43,768,000. It cost the farmers $12,063,000. The value of the crop, international basis, was $2,080,000.

[d] This was the value, international basis, at Atlantic and Gulf ports. To get it grown in the United States consumers were taxed $291,000,000.

[1] The growers get one half the tariff and the refiners one half.

All the sugar grown in the United States in the form of sugar beets and sugarcane in the crop year 1931–32 could have been bought, delivered in Atlantic and Gulf ports in the form of raw sugar, for $25,590,000.

Great quantities were so bought from Cuba, delivered in New York, with unlimited offerings. The average price for the year was 92 cents per 100 pounds. This netted the producers in Cuba 80 cents per 100 pounds. The tariff tax of 2 cents per pound equaled 250 percent. (For about 30 days it was over 400 percent.)

The tariff brought into the Federal Treasury $73,176,000. It costs American consumers $291,000,000.

It costs this huge sum because the buyers of Cuban sugar had to pay the tariff of 2 cents per pound (which was, of course, added to consumers' prices), and the producers of duty-free sugar at home and in our island possessions added the 2-cent tariff to their prices because they had only to meet Cuban competition. The Cubans, for instance, sold in New York for 92 cents per 100 pounds subject to the duty. The islands sold for $2.92 and pocketed the difference. Home producers did likewise.

For each dollar of sugar tax or bonus that went to home producers, about $5 went overseas, because, as commonly estimated, and in the average year, five sixths of our requirements comes from overseas.

From the standpoint of protection, the $291,000,000 of tariff tax or bonus paid by sugar consumers was simply to get $25,590,000 worth of sugar grown in the United States.

For each $1 worth grown in the United States, at the international price, consumers paid a bonus of $11 and paid for the sugar besides; that is, they paid a bonus of $291,000,000 to get $25,590,000 of sugar grown here, and paid also the $25,590,000 for the sugar. This when 40 years' experience has resulted in a relatively negligible production and at a profit to home growers little if any better in ordinary years than from other crops that got no considerable bonus from the public.

Prices were low in 1932, but so were production costs, because of reduced wages, etc.; also, the grower's share in the profits of refining, and east of the Mississippi many factories were in the hands of creditors' committees or receivers that operated them upon payment of little more than running expenses.

Profits in 1932 were greater somewhat than on other crops that got no substantial benefit from the tariff and suffered shrinkages from every quarter, particularly because their export markets were mostly closed and the home market glutted. The sugar growers, on the contrary, sell only in the States with an unlimited market and the sugar bounty their main dependence. Not only did the bounty not shrink but it was worth more in purchasing power by about 30 percent. Note also that it was about 30 percent harder for consumers to pay than in prosperous years.

HIGHER PRICES

Higher prices will not help from the national standpoint, nor will they help growers materially.

With the country off the gold standard and Congress enacting inflationary and farm-relief measures to raise prices greatly, raw sugar advanced in New York April 21 to $1.25 per 100 pounds. This may seem good to sugar growers, but the prices of all their purchases and their costs of production must rise proportionately, as they should. Also, in particular, the prices of all major crops rose proportionately. Wheat rose in New York from 52⅝ cents January 3 to over 90 cents, or 45 percent; corn from 38½ cents March 2 to 51¼ cents April 20, or 30 percent; cotton from 5.9 cents February 1 to 7½ cents, or 27 percent.

From the standpoint of the national economy there is a great difference between the rise in sugar prices and in these other crops.

The sugar increase will give farmers gross only one half of an extra $9,000,000 in sugar prices, with the other half going to refiners who should not receive half. And to get the $4,500,000 of gross increase to our growers (to be dissipated in higher costs), our consumers must pay about $45,000,000 and must send the difference overseas.

Surely this does not better conditions materially, nor American farmers generally, who (on a per capita basis) pay one fourth of the sugar bonus at a cost of seventy-three millions.

In sharp contrast to this situation, every dollar of price increase on wheat, cotton, corn, pork products, and the like goes directly to American farmers, with no accompanying bonus tax of consequence, and with hundreds of millions of dollars coming from abroad from the increase in prices on our exports.

Surely with all of the special assistance that the Government is now to give our farmers to increase prices of all major crops, our sugar growers will yield to the public interest to the extent of shifting, if need be, their less profitable sugar lands to other crops that will pay substantially as well.

A better solution would be such a revision of the sugar tariff as 22 Senators tried to get in 1930, a revision calculated to save consumers $100,000,000 annually and increase growers' prices 60 percent, as suggested above.

Distribution of the 1932 sugar tax of $291,000,000

Beet growers	$24,695,000
Cane growers	3,120,000
Total beet and cane	27,815,000
Refiners of above	27,815,000
Philippines	40,000,000

Distribution of the 1932 sugar tax of $291,000,000—Continued

Puerto Rico	$35,000,000
Hawaii	40,837,000
Virgin Islands (estimated)	400,000
Total to islands $116,615,000, increasing rapidly, 46 percent in 2 years.	
Duties on imports	73,176,000
Minor adjustments	4,957,000
Total consumers' tax, raw basis	250,000,000
Pyramiding in manufactures of sweetened foodstuffs [1]	41,000,000
Total sugar tax	291,000,000

It is to the consequence shown above that the American public has paid a tariff tax of about $291,000,000 annually and possibly $3,000,000,000 since 1890, when sugar beets were first cultivated under a bonus of 2 cents a pound in the McKinley tariff. And acreage has not increased much in many years.

The table tells only part of the story. The bonus to home growers has increased only some $3,000,000 since 1923, since which time it has risen from $40,000,000 to the islands to $116,000,000 in 1932, with tremendous increases each year and no let-up, because the islands can produce about as cheaply as Cuba and there is enough unused land in the Philippines to meet all our requirements.

On the other hand, our tariff has brought Cuba to the verge of anarchy and revolution and our Government wondering if it must not intervene.

Sugar revenue and Cuba—Revenue collected

1926	$145,000,000
1927	130,000,000
1928	118,000,000
1931	98,473,000
1932	73,176,000

Had the present tariff been as low as in 1926–28, the revenue would have been eighty-six millions in 1931 and sixty-four millions in 1932. Thus corrected, the table shows how fast revenue is declining and the islands are replacing Cuba in our market.

The decline in revenue may be halted in 1933 because of a pest of locusts in the Philippines. The table indicates a decline to around $55,000,000 in the next good year and nothing 5 to 7 years hence.

One fourth of our entire tariff revenue used to come from sugar. Now it is rapidly vanishing, as those who are most interested in the home industry, and all informed persons said it would when the tariff was raised in 1930.

The loss in revenue measures Cuba's loss in our market, and the increase in production in the islands. Meantime, Cuba sells at great sacrifice and the islands at great profit. Despite Cuba's sacrifice, she has lost considerably more than half her trade with us in 6 years. Meantime, home producers relatively have been at about a standstill, without much profit and bemoaning their early extinction.

Whatever is the amount of the Government's revenue from sugar, it is properly an offset to the consumers tax of two hundred and ninety-one millions because the duty is used for public benefit. It has not been offset in calculations here presented because its future is so uncertain that the reader can as well make his own allowances.

OUR ISLAND POSSESSIONS

The rapidity with which the islands are gaining control of our markets is shown by the increase in production in the Philippines in the last 2 years, from 782,322 tons of refined sugar in 1930–31 to 982,776 tons in 1931–32, and 1,100,000 (estimated) in 1932–33 despite a pest of locusts. It was to meet this development that Congress increased the tariff from 1.76 cents to 2 cents in the present tariff.

The cost of production is believed to be almost as low in the Philippines as in Cuba. Soil, climate, and some other conditions are ordinarily much the same.

If costs are higher somewhat in Hawaii and Puerto Rico, it is partly because profits have been so great as to bring into cultivation marginal lands and, in Hawaii, the tunneling of mountains, etc., to bring in inaccessible areas.

It is under these conditions and the bounty of Congress that Cuba sold in New York for 92 cents per 100 pounds (80 cents in Cuba) and the islands at $2.92 because their sugar was duty free. They could have cut their price 50 cents, to $2.42 at good profit and killed Cuba because she could not sell at 42 cents in New York and 30 cents in Cuba.

[1] One sixth of our sugar is used in the manufacture of confectionery, preserves, sweetened breadstuffs, etc. The manufacturers of these add 25 percent or more to all their costs in making their sales prices. Then wholesalers add 20 percent or more; then retailers 50 percent or more. This pyramiding of prices is here estimated at the minimum of 100 percent total. It is somewhat indicated by the difference between refined sugar at 4½ cents a pound and candy at 30 cents to $1 a pound at retail.

The sugar tariff—Profit and loss to sugar-growing States

[Figures in thousands of dollars; 000 omitted]

Sugar-producing States	Value of crop, international basis (1)	Cost of tariff: To State as consumer (2)	Cost of tariff: To farmers as consumers (3)	Tariff bonus to growers 1 cent per pound [1] (4)	Percentage of tillable land in beets (5)
Nebraska	2,493	3,215	1,367	2,710	0.290
Colorado	7,315	2,417	660	7,951	2.670
Utah	1,528	1,185	270	1,661	3.270
Idaho	911	1,038	440	990	.840
Wyoming and Montana	3,505	1,781	648	3,810	.750
Total Mountain States	15,752	9,638	3,385	17,122	1.040
Michigan	1,595	11,299	1,825	1,734	.270
All others [2]	2,080	43,768	12,063	2,261	
Total east of Missouri River and Washington	3,675	55,067	13,888	3,995	
California	3,292	13,247	1,448	3,578	1.070
Total, beets	22,719	77,905	18,721	24,695	.078
Louisiana, cane	2,871	4,904	1,938	3,120	.360
Total, beets and cane	[3] 25,590	82,854	20,659	27,815	

[1] This tax or bonus is 2 cents per pound, raw basis. Domestic growers get one half and their refiners get one half.

[2] Ohio, Iowa, Minnesota, Wisconsin, Kansas, South Dakota, and Washington. Production is so small in these States that it is not shown separately by Willett & Gray or others. In Ohio, the largest producer, only 1 acre in 600 of crop lands was in beets in the prosperous year, 1929.

[3] This $25,590,000 is the total value of the American sugar crop at the price at which sugar was freely purchased at Atlantic and Gulf ports at the average price of 92 cents per 100 pounds, raw basis. It was grown because of the encouragement of a so-called "protective tariff rate" that cost consumers $291,000,000.

Sugar growing is of considerable consequence to some farmers in the Mountain States and in Michigan. No consequence elsewhere unless in Louisiana. It is grown because of a tariff bonus that costs consumers about $11 for each dollar's worth of sugar here grown and makes its growing a little more advantageous than the growing of other crops, in the judgment of a few farmers.

These farmers in the Mountain States and in Michigan grow considerable sugar, but many farmers in our best district, Colorado, won't grow sugar beets because they say that in no 10-year period since beet growing began in 1890 have beets paid as well as some other crops.

In all but 5 of the 15 States the farmers in each State have contributed more to the sugar bonus than the States' crop was worth at our seaboard. All told they contributed to the bonus $20,659,000, against a crop value of $25,590,000. The farmers of the Nation contributed $74,000,000.

The citizens in the sugar-growing States contributed nearly $83,000,000 to the bonus.

To the nonproducing States the sugar bonus is, of course, a complete loss. To Missouri, for instance, $8,470,000; to Illinois, $17,800,000; to New York, $29,000,000, or more than the total value of the crop; to New England, $19,000,000; to Philadelphia, $1,950,000; New York City, $7,000,000; Detroit, $1,567,000, and almost exactly the value of Michigan's crop, though the growers got more than twice this because of the bonus. The State of Michigan contributed $11,299,000 against her crop value at seaboard of $1,595,000. Chicago's loss was $3,400,000. The total loss of nonproducing States was $208,000,000, or seven times the value of the 1931–32 crop, international basis.

FOURTH DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6034) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. FRAZIER. Mr. President, I should like to have a record vote on the adoption of the conference report. 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	Bachman	Barbour	Bone
Ashurst	Bailey	Barkley	Borah
Austin	Bankhead	Black	Bratton

Brown	Erickson	Long	Sheppard
Bulkley	Fletcher	McAdoo	Shipstead
Bulow	Frazier	McCarran	Smith
Byrd	Glass	McGill	Steiwer
Byrnes	Goldsborough	McKellar	Stephens
Capper	Gore	McNary	Thomas, Okla.
Caraway	Hale	Metcalf	Thomas, Utah
Carey	Harrison	Murphy	Thompson
Clark	Hatfield	Neely	Townsend
Connally	Hayden	Norris	Trammell
Copeland	Hebert	Nye	Tydings
Costigan	Johnson	Overton	Vandenberg
Cutting	Kean	Pope	Van Nuys
Dale	Kendrick	Reed	Wagner
Davis	King	Reynolds	Walcott
Dickinson	La Follette	Robinson, Ark.	Walsh
Dieterich	Lewis	Robinson, Ind.	Wheeler
Dill	Logan	Russell	White
Duffy	Lonergan	Schall	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present. The question is on agreeing to the conference report.

Mr. FRAZIER. Mr. President, I simply desire to say that amendment numbered 9, which was stricken out by the conferees, provided that $300,000 out of the balance left over from the feed and seed loan fund might be expended by the Secretary of Agriculture in loans to counties for the eradication and control of grasshoppers.

In practically all of these counties which are infested by grasshoppers the farmers borrowed money through this same fund for seed, and gave mortgages on the crops. The amendment is a protection to the Government on the mortgages it has on these crops. It seems to me it is absolutely foolhardy to reject this loan from a business standpoint, especially in view of the fact that another amendment, numbered 14, in the same bill, put in the bill on the floor of the Senate, carrying $3,000,000 for the purpose of loaning money to cities which have had some disasters, is left in the bill.

Mr. President, I should like to have a yea-and-nay vote on this question. I believe that if it were put up to the House of Representatives they would pass it. It is true that last year they voted it down, but the conditions now are entirely different. The personnel of the House, too, is different from its personnel last year.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

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

The yeas and nays were not ordered.

Mr. SHIPSTEAD. Mr. President, before the vote is taken I desire to say that I agree whole-heartedly with the statement made by the Senator from North Dakota [Mr. FRAZIER]. The importance of this matter cannot be overestimated for a great part of North and South Dakota and certain parts of Minnesota.

There is no need of making any extended argument on the subject. The arguments were presented to the conference committee and to the Senate before. This amendment should be retained in the bill.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER (Mr. COPELAND in the chair) laid before the Senate the action of the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
June 14, 1933.

Resolved, That the House recede from its disagreement to the amendments of the Senate nos. 5, 6, 7, 13, and 14 to the bill (H.R. 6034) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate no. 2 to said bill, and concur therein with the following amendment: In lieu of the matter inserted by said amendment insert:

"Salaries: Eight privates at $1,620 per annum each, fiscal year 1934, $11,880; one half of such privates to be selected by the Sergeant at Arms of the Senate and one half by the Sergeant at Arms of the House."

Mr. BRATTON. I move that the Senate agree to the amendment of the House to Senate amendment no. 2.

The motion was agreed to.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, June 15, 1933, that committee presented to the President of the United States the following enrolled bills:

S. 554. An act providing for the per capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 1650. An act amending section 74 of the Judicial Code, as amended (U.S.C., Annotated, title 28, sec. 147);

S. 1813. An act providing for the sale to Joe Graham Post, No. 119, American Legion, of the lands lying within the Ship Island Military Reservation in the State of Mississippi; and

S. 1872. An act to extend the times for commencing and completing the construction of a bridge across the French Broad River on the proposed Morristown-Newport road between Jefferson and Cocke Counties, Tenn.

THE WORK AND ACHIEVEMENTS OF SENATOR GLASS

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD two articles relating to the distinguished senior Senator from Virginia [Mr. GLASS], one appearing in the Christian Science Monitor and the other in the New York Herald Tribune. They seem to me worthy of a permanent place in the RECORD.

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

[From the Christian Science Monitor]

WATCHING THE WORLD GO BY—CARTER GLASS—UNIQUE, ABLE, COMBATIVE, UNYIELDING

By Willis J. Abbot

Senator CARTER GLASS, who has been steadily tilting at Mr. Pecora and Senator COUZENS during the course of the Morgan investigation, is one of the most unusual and interesting men in the upper House of Congress. By profession a journalist, and the owner of two papers in Lynchburg, Va., his career since he was about 40 years of age has been mainly devoted to politics. He has served in his State senate, in the House of Representatives, in the United States Senate, and as Secretary of the Treasury during the Wilson administration. Not a college-bred man, he sports a Phi Beta Kappa key, doubtless conferred upon him as an honorary distinction, as are also his various degrees of LL.D. from Lafayette, Washington and Lee, and the University of North Carolina. Well along in his seventies the Senator is one of the hardest-working men in the upper Chamber, and the natural fires of his intellect, and I might even say of his combativeness, are in no way abated, for Senator GLASS is always willing to enter into the most vigorous personal controversies in support of the things he believes to be right.

So ardent, for example, is he in his antagonism to the methods being followed in the inquiry now in progress in Washington into the affairs of the Morgan concern that opponents have bestowed upon him the sneering title of "chief counsel for the defense." It just happens that his convictions as to the right of individuals to be protected in their privacy against mere sensational prying on the part of senatorial committees seemed to operate for the protection of the Morgan firm. But no man in public life in the past has advocated more financial reforms antagonistic to the entire Morgan policy than has CARTER GLASS. He has every right to be aggrieved by the effort of some to make him out as a mere defender of the bankers today, but in all probability is utterly indifferent to what is being said about him. There are few men in public life who care so little for publicity and so little for popular applause or criticism. As a result of this attitude of intellectual indifference he probably gets more of both than any man in the Senate, unless it be the spectacular HUEY LONG.

It was along about 1918, if I remember rightly, that I saw CARTER GLASS, at that time not very widely known, accomplish the most extraordinary conversion of a hostile audience to his point of view that I have ever witnessed or could possibly conceive of. It was in the big ballroom of the old Waldorf-Astoria. The occasion was the meeting of the New York Economic Club to discuss the plan of the Federal Reserve, which was then in its earlier stages, and bitterly opposed, as everyone recalls, by the whole banking community of the metropolis. Frank Vanderlip, then at the very height of his success as a banker, led the attack on the Federal Reserve plan. Senator Owen, of Oklahoma, himself a banker, and largely associated with the formulation of the Federal Reserve Act, was to lead in its advocacy, with GLASS as an assistant, and decidedly not a "headliner."

The audience, one of the most brilliant that I have ever seen gathered on such an occasion, was distinctly hostile to the Federal

Reserve plan. It was made up mainly of New York bankers, brokers, Wall Street people, together with their wives and members of their families. The great ballroom was crowded. Vanderlip, opening for the attack, was cheered to the echo. Senator Owen made, as he always used to make, a most scholarly and convincing speech. It was an admirable plea, adapted, one would say, to reach the consciousness of people trained in the intricacies of high finance. At its close he came into the box where I was sitting and told me that he had been asked to close the debate later.

But then GLASS got up. He looked then, as he always does, like a reasonably prosperous farmer, caring little about the fit of his clothes or his personal appearance. He began by questioning his own capacity to instruct or to influence so brilliant a representation of high finance as was before him. He spoke colloquially, in the vernacular, without the slightest effort at oratorical effect. His illustrations were racy of the soil. Anybody could comprehend what he was talking about. I do not think he had spoken 10 minutes before he had the audience eagerly listening to every word. In half an hour they were so thoroughly at his command that when his time expired they insisted that he should go on.

At the end of his speech there was practically a unanimous roar of approval and commendation. There was no need for Owen to close. Vanderlip himself admitted that the day was won for the Federal Reserve. Never in the long experience of attendance upon debates of this character have I seen so complete and absolute a victory won by an unpretentious champion and wrested from a hostile and unwilling audience.

His great success as the formulator and defender of the Federal Reserve Act perhaps created in the mind of the Senator a certain feeling of proprietorship of that admirable piece of legislation. It is he that always construes it, and denounces what he thinks to be the failure of those intrusted with its administration to act thoroughly in accord with its spirit. There is a feeling in the Senate, too, that no measure for banking or currency reform can possibly secure the influential adhesion of GLASS unless it originated with him. That feeling, and a certain acidity of comment when dealing with adversaries, have perhaps militated against his popularity in the body of which he has been so long a Member.

Men revere and admire rather than love him. He defers as little to his constituents as he does to his colleagues. When his keenly analytical mind has blocked out a course of conduct nothing can cause him to diverge from it.

Today his apparent position of defender of the Morgan firm is going to cost him heavily in popularity, but I do not believe he will give a thought to this. His mind is centered upon the course which he believes to be right, and no personal consideration will lead CARTER GLASS to swerve to one side or the other.

[From the New York Herald Tribune, May 28, 1933]

THE CARTER GLASS CURE—SENATOR GLASS, CHAMPION OF STABLE MONEY AND ADVOCATE OF THE COLD-WATER CURE FOR BOTH STOCK AND CURRENCY SPREES, BOLTED PARTY LEADERSHIP TO OPPOSE INFLATION AND WAS REPUDIATED; BUT HIS CREED WILL BE OFFERED TO THE WORLD AGAIN AT THE ECONOMIC PARLEY NEXT MONTH

By William Hard

CARTER GLASS, senior Senator from Virginia, has at this moment a unique importance because he is the most eminent embodiment of the resistance to those inflationary measures which characterize the national administration and which apparently will characterize also the approaching International Monetary and Economic Conference at London.

"Inflation" is a word of many meanings; but perhaps they can all be roughly and rudely compacted into the general statement that an inflated economic condition is one in which the economic process exhibits a corpulence or flatulence which subsequently usually requires it to resort to a "spa" for drinking the waters of liquidation and reduction.

The banquets which precede the visit to the "spa"—which is often disparagingly called "a depression"—have always been peculiarly obnoxious to CARTER GLASS. He detested them when he arrived in the Congress of the United States as a Member of the House of Representatives in 1902. He detested them in 1913, when, as Chairman of the Banking and Currency Committee of the House, he was highly influentially fixing the phrases and the meanings of the Federal Reserve Act. He detested them in 1929, when they had not yet filled their convivial consumers with any surfeit, any nausea. He detested them in 1932, when, because of that detestation, he crossed swords with President Hoover. He detests them now, when, for the same reason, he crosses swords with President Roosevelt.

Mr. GLASS is a Puritan. Mr. GLASS is a dry. Mr. GLASS is against all sprees, all flings, alcoholic or economic. Yet our virtues do, indeed, always permit us somewheres a compensatory outbreak. Mr. GLASS' flings are verbal.

His first memorable speech in Washington was in 1913 in a Democratic caucus of the House. The objective of the caucus was the formation of a united Democratic front for the support and passage of the Federal Reserve Act. Objections to the act had been voiced by the "right wing" of American thought in regions such as Wall Street. Objections to it had been voiced by the "left wing" of American thought in regions such as "the corner store" and "the bend of the creek."

Mr. GLASS has always found himself revolving rapidly on his heels to fight now the "magnates" and now the "hill billies." He fights the "magnates" because they want to manufacture money in the course of speculation. He fights the "hill billies" because they want to manufacture money in the course of legislation. He is a conservative in money matters against both the "right" and the "left", against both the so-called "best people" and the so-called "people." This habit of his, if it conduces to a certain loneliness, conduces also to a certain grandeur.

The oddness in him is that this grandeur is accompanied by a verbal vivacity which creates an effect as of quicksilver running about on an impenetrable stone surface. He is our own public man who is both granitic and mercurial.

In the Democratic caucus of the House in 1913 he spoke granitically for quite a while. He was unaccustomed to addressing his fellow Members. He had been among them for 11 years. He had not, however, spent those years talking. He had spent them studying, meditating. Now he talked rather ponderously, rather frigidly. It was only little by little that he gathered warmth. Gathering it, he became more emphatic, more emotional, more aggressive. Presently he had arrived at his natural pugnacity.

At that point one of his partisans in the caucus shouted:

"Give 'em hell, Carter."

Then came the first of Mr. GLASS' historic Washingtonian verbal flings.

"Hell?" said he. "Why use dynamite when insect powder will do?"

In that caucus Mr. GLASS definitely introduced himself to Washington in his double capacity as a cold-water cure for money madness and as a vial of vitriol for adding pain to the recovery.

A few days later, in the House itself, he again expounded the fundamental reason—as he conceived it—for the creation of the Federal Reserve System. He expounded it in the course of a vivid attack upon the "great bankers." He said:

"The whole fight of the great bankers is to drive us from our firm resolve in this bill to break down the artificial connection between the banking business of the country and the stock-speculative operations at the money centers. The Banking and Currency Committee of the House has gone to the very root of this gigantic evil. In this bill it proposes to cut the cancer out. The avowed purpose of this bill is to withdraw the reserve funds of the country from the congested money centers and to make them readily available for business uses. The great bankers, however, do not want existing arrangements disturbed. They desire to perpetuate a fictitious, unscientific system, sanctioned by law but condemned by experience—a system which everybody knows encourages and promotes the worst description of stock gambling."

Such was, and is, Mr. GLASS' conservatism—and radicalism. It opposes "stock gambling" by the urban speculator. It opposes currency gambling by the agrarian reformer. It opposes gambling, chance taking, blue-sky flying, extravagance, excess, inflation wherever—and in whatever form—it finds it.

The Senator may perhaps be excessive in his opposition to excess. What is here attempted is not a proof of his philosophy. It is a portrayal of it.

Obviously he did not invent this philosophy for current use. It has been his ever since his emergence—20 years ago—into national fame. It is now considerably overborne among us by a contrary philosophy. It remains nevertheless a vigorous struggler for survival. It thereupon deserves—both in itself and in consequence of Mr. GLASS' distinguished and determined advocacy of it—a respectful consideration.

The basic principle of this philosophy is wholly Jeffersonian. It embraces simplicities. It rejects artificialities. It especially rejects them when fostered by governments. It therefore shrinks from governmental nationalistic uprearings of altitudinous tariff duties.

Mr. GLASS' anti-speculation views and his anti-inflation views are nourished in the same Jeffersonian soil out of which he derived his early—and late—antitariff views. If, at the International Monetary and Economic Conference in London next month, there is an earnest effort by the Roosevelt administration to reduce the tariff duties of the world, Mr. GLASS will be among those most vehemently applauding.

However, he might thereupon say that people who are opposed to the governmental artificiality of class-serving tariff duties should—in pursuit of consistency and also in pursuit of the success of their own philosophy—oppose likewise all other governmental artificialities of similar intent and effect.

It is precisely there that Mr. GLASS represents a very steady adhesion to Jeffersonianism; and it is precisely there that many of his fellow Democrats represent a frequent departure from it.

Mr. GLASS expressed his opinion of them in characteristic language in 1926, when the first of the recent numerous bills for granting "relief" to farmers through direct or indirect governmental taxation of nonfarmers was under consideration in the Senate. He then said:

"The tariff robs the farmer, according to the doctrine which has been proclaimed from the Democratic side of the Chamber. Now we propose to let the farmer rob the beneficiaries of the tariff and, incidentally, rob everybody else. It is a dual system of robbery, united like the Siamese twins. The Democrat who subscribes himself to such a doctrine will presently find himself on the probation bench of the Republican Party, cushioned with the fleece of the wool schedule of the Republican Payne-Aldrich Tariff Law, bouncing on the springs of the Steel Trust, hat in hand, awaiting the time of his admission to the status of that type of zealot who always exceeds the original apostles of a gospel."

It is plain, then, that back of Mr. GLASS' views on money and banking—or harmoniously abreast of them—are his views on economics in general and on governmental functions in general. In

his Federal Reserve Act he was not aiming at governmental management of the economic process. He was aiming only at what might be called the establishment of governmental "law and order" in the money and banking field and at thus granting to the economic process a truer liberty, a safeguarded liberty, for the development of its own activities and its own destinies.

His present contentions in this national and international crisis must be studied in the light of his utterances in the period preceding the crisis. He then maintained that the Federal Reserve System was being used—improperly—for the artificial enlargement of speculative credit, for the artificial enlargement—that is—of an excrescence upon the natural economic process.

In the Senate, in the early part of 1929, when the speculative surge in Wall Street was at its crest, Mr. GLASS said:

"The high money rates in our money markets are such that not only are commercial enterprises and industrial businesses heavily taxed for their essential credits but even States and communities have been obliged to defer necessary public improvements because they cannot get accommodations at reasonable rates; and they cannot get them because the gamblers have run away with the money market in New York. By every influence—by threats and otherwise—that New York crowd has been trying to compel the Federal Reserve Board to raise its commercial rediscount rate. An outstanding director of the New York Federal Reserve Bank—the president of the largest bank in the Western Hemisphere—defied the board and publicly avowed that his obligations to the stock gamblers were superior to his obligations as a sworn officer of the Federal Reserve System. The Federal Reserve Board should have kicked that fellow out of his position before noon of the day upon which he made that announcement."

In other words, Mr. GLASS saw in the speculative credit inflation of 1929 the inherent peril of that moment of pompous prosperity. He saw it as a cause of evil. He lived to see certain other varieties of credit inflation recommended as remedies for evil.

He proceeded—during the depression—to make some concessions to such recommendations. He made concessions in—for instance—the Glass-Steagall law and the Glass-Borah rider to the home-loan bank law. He again made concessions in supporting the Reconstruction Finance Corporation law. In those measures—put together—there were deliberately intended governmental expansions of credit and of currency, outstripping all normal expansions based on full gold reserves and produced by business activities. Mr. GLASS denounced and derided a great many of the methods thus undertaken, but he gave them at times the sanction of his vote, and even of his name, out of a spirit of tolerant cooperation with experiments overwhelmingly demanded. It was perhaps in recollection of those days that he whimsically—and amid the amused astonishment of his fellow Senators—remarked last month on the Senate floor:

"I do not want to be obstinate. People think I am obstinate and dictatorial, but I am not. I am the most amiable member of the Banking and Currency Committee."

In any case—amiably or otherwise—Mr. GLASS in the course of the depression proceeded also to write his new Federal Reserve reform bill and to prepare himself to write the money-and-banking clauses of the Democratic national platform of 1932.

In his Federal Reserve reform bill he proposed, and proposes, to inflict almost violently drastic punishments upon any "undue" diversion of Federal Reserve credit into speculative channels. The latest edition of the bill states:

"Each Federal Reserve bank shall keep itself informed of the general character of the loans of its member banks with a view to ascertaining whether undue use is being made of bank credit for the speculative carrying of, or trading in, securities or commodities. The chairman of the Federal Reserve bank shall report to the Federal Reserve Board any such undue use of bank credit by any member bank. Whenever, in the judgment of the Federal Reserve Board, any member bank is making such undue use of bank credit, the Board may, in its discretion, suspend such bank from the use of the credit facilities of the Federal Reserve System."

Such was, and is, Mr. GLASS' attitude toward credit. He expressed it further—and also expressed his attitude toward currency—in certain famous clauses of the Democratic national platform of last year. Those clauses were:

"We advocate further restriction of Federal Reserve banks in permitting the use of Federal Reserve facilities for speculative purposes. * * * We advocate a sound currency to be preserved at all hazards."

Thus established as the accepted monetary Mentor and Nestor of the Democratic Party, Mr. GLASS authoritatively—on November 1, 1932—pronounced the last campaign's most resolute and resonant attack upon the monetary policies and assertions of the Hoover administration. Among other things, Mr. GLASS said:

"The newspapers report that Secretary Hurley of the War Department has openly proclaimed from the public rostrum that should the Democratic Party succeed at the November election, 'the United States will be driven off the gold standard.' For the sake of decency it must be hoped that Mr. Hurley did not say it. If he did say it, he was guilty of a dangerous calumny."

Mr. GLASS further—in that same speech—said:

"We Democrats will not employ Lydia Pinkham political pills or psychological poultices as a cure for the maladies of the country. We shall not rely upon transient devices and mere temporary remedies for serious situations; but, holding fast to sound Jeffersonian principles and applying tested orthodox processes, we shall hope to rescue the Government and the country from the unendurable confusion into which Republican maladministration has thrust us."

In that confidence Mr. GLASS came to March 4, 1933, and the inauguration of Franklin Delano Roosevelt. At once, then, he came also to a crossroads. A signpost there sent the new President away on a new path. Another signpost there pointed Mr. GLASS toward his old principles. He admired and loved the new President. He was devoted—he was even dedicated from birth—to the Democratic Party. His party, his President—they were certainly most dear to him. He stood at the crossroads, ruminating—and raging.

The Congress met on March 9. The emergency banking bill was introduced. Mr. GLASS loyally supported it. He supported it with all the loyalty that was consistent with a simultaneous savage asseveration of its obnoxiousness to his principles.

"I say to you, Senators", he exclaimed, "that this bill is the least objectionable of all the multitude of suggestions that have been presented.

"It broadens", said he, "it broadens the currency and credit facilities of the Federal Reserve System in a degree that is almost shocking to me.

"Under this bill", he continued, "when the member banks of the Federal Reserve System shall have exhausted their eligible paper they may bring their own paper, their 'cats and dogs', if you please, to the Federal Reserve bank and have them discounted."

The new currency authorized by the bill, concluded Mr. GLASS, "does not require any gold basis. * * * I am coming to have less and less respect for a gold reserve which is not used when it is needed."

One could thereupon, even in the press gallery, almost hear Mr. GLASS a few moments later in the Democratic cloakroom discharging lava and ashes into the amazed Democratic air and ejaculating his most horrific oath, which is "Dad bum it."

Yes. "Dad bum it." That is the peak of the profanity of this violent Methodist man.

For some 7 weeks thereafter Mr. GLASS remained at the crossroads inhabiting his Democratic reservation but fulminating his Jeffersonian principles.

He saw the Reconstruction Finance Corporation expanded by the Democratic administration in its lendings of public money to private enterprise. He had already, under the previous Republican administration, assailed the "profligacy" of this Corporation and had seen in it "a clear portent of the burden which the taxpayers of the country will on pay day be compelled to endure."

He saw the Democratic administration put an embargo upon exports of gold. "There was never any necessity", he remarked, "for a gold embargo", thus by implication approving the policy pursued by the previous Republican administration when it said to the foreigners, "If you want any of your gold that's here, come any time and get it."

He saw the Democratic administration forbid exports of gold even under special license to meet obligations of specific pledged faith. He saw it do this in opposition to the views of the Federal Reserve Board. He saw it do this without even any consideration of the views of the Board. He saw the Board, which he had created to be our supreme nonpolitical monetary authority, unconsulted and disregarded in monetary matters by the political authorities of the country.

He saw the Democratic administration bring into the Congress a bill for three concerted credit and currency "artificialities." More Federal Reserve credit through more open-market purchases of Government securities by the Federal Reserve System. More paper money unbacked by gold. And the making of a gold dollar with less gold in it than had been promised in payment to lenders of money when they lent.

Mr. GLASS talked with his staff in his office in the Senate Office Building. They had some nice plans for high appointments for fine friends under the Democratic administration. They endeavored to sprinkle cold patience upon the warmth of Mr. GLASS. "You talk like politicians", said Mr. GLASS. Their rueful response was: "One statesman is enough in an office—and sometimes too much."

The next day Mr. GLASS, in the Senate, delivered the speech which took him from the reservation into the wilderness.

He addressed himself to the 3-way inflation bill incorporated into the farm relief bill. His fellow Senators had gathered themselves together into the Senate Chamber in most unusual numbers in order to listen to him. Many of them were delighted to hear him express their views—and attack their votes.

"This bill", he said, "degrades the Federal Reserve System into being a service agency of the Treasury Department. * * * The history of inflation has been recorded. Today we are flying right in the face of all human experience. * * * My colleagues talk about serving the public. What public? The men who work for a wage, the neediest of all classes of the public, the clerks and the stenographers and the professional men and the workingmen, constituting in the aggregate half, yea, more than half, of our laboring population, will be the people to suffer under this unbridled expansion. That is what it is; because the rein is so loose that the steed will never stop until he goes over the precipice, killing his rider."

With those words, Mr. GLASS, old, sick, could stand on the floor no longer.

"Mr. President", he said, "I find that I must desist. It is painful to disagree with the occupant of the White House, whom

I love and respect. It is painful and I may have regret, but I shall never have to make apologies for acting upon my convictions."

On the succeeding day, in the Senate, the inflation amendment to the farm relief bill was overwhelmingly "agreed to." Three Democratic Senators disagreed. Rightly or wrongly, pedantically or discerningly, as the blind worshipers of a day gone by or as the farsighted adherents of a day yet again to come, they lonelily lifted their voices to say, "No." They were: BAILEY, of North Carolina; BULKLEY, of Ohio; and GLASS, of Virginia.

Their philosophy was crushed in Washington. Will it be exterminated in the International Monetary and Economic Conference in London? Or will it there rise again to esteem and to power? Those are the questions which Mr. GLASS now, in fact, poses not only to his country but to the world.

The International Monetary and Economic Conference has a brain with most emphatically two lobes. Operating one of these lobes it envisages a reduction of economic barriers between countries and a retreat toward the courses of nature in trade. Operating the other it envisages new credit devices and new currency devices by central banks for the so-called "stabilization"—which, in reality, is the speculative enhancement—of prices. Let trade follow nature and let prices obey artifice; that is the contradiction which the International Monetary and Economic Conference contains within its own agenda.

To that contradiction many thinkers oppose a philosophy of complete and consistent artificial governmentalism in trade and in finance and in all else. To it Mr. GLASS opposes his philosophy of Jeffersonian simplicities throughout the whole of the world's economic life—simplicities and, as he sees it, reliabilities and integrities:

One can imagine him exclaiming:

"Shall governments continuously interrupt and pervert the world's trade with capricious tariff manipulations?" "No."

"Shall governments continuously interrupt and pervert the world's trade with capricious credit and currency manipulations?" Again, and for exactly the same reasons, "No."

Economic manipulations produce instabilities. Monetary manipulations produce instabilities. They produce, in each instance, the thing of all things (to Mr. GLASS) most detestable: a speculative world.

Today, at the very first crooking of the finger of a beckoning inflation, Mr. GLASS sees about him a vivid speculative market in commodities and in stocks. He sees an active bidding for profits on market jumps. It does not rejoice him. It is precisely what in 1929 he called the harbinger of ruin.

Meanwhile he sees, or thinks he sees, a corresponding decline in the desire for long-time, abiding investments.

Speculation in place of investment! Speculation in place of normal, natural commerce and industry! That is the foe that Mr. GLASS conceived himself to be fighting when he was a youthful challenger. That is the foe that he still fights as an elder statesman.

And why? Because for him there is more in it than economics. For him it is also—and first—morals.

"To me", he said in the Senate on April 27 of this year, "the suggestion that we may devalue the gold dollar 50 percent means national repudiation. To me it means dishonor. All the legalistic arguments which the lawyers of the Senate, men of eminent ability and refinement, have made here have not dislodged from my mind the irrevocable conviction that it is immoral."

Here are simplicities indeed! Here is a man who thinks that the repudiation of a national economic promise—especially when that repudiation may be directed against foreigners—is simply nationally morally wrong and that thereupon no public or private good can come from it. Here is a man who thinks that no anesthetic for economic agony can be successfully purchased at the price of the patient's soul.

It is quaint. Let us say that it is also an inapplicable spiritual phantasy. I interestedly notice, though, the reverence that surrounds the man in whom it flames. It surrounds him in Washington, and it surrounds him in Virginia.

Mr. GLASS says that if nobody is going to heed him in Washington he will just—Dad bum it!—go back to Lynchburg, Va., and stay there. He might. He might stay there and do nothing all the way to the end of his present term in the Senate—nothing except excoriate the Senate. And then Virginia would reelect him to the Senate.

AMENDMENT OF FEDERAL FARM LOAN ACT

Mr. THOMAS of Oklahoma. Mr. President, on yesterday the House passed House bill 3344. This bill amends the Federal Farm Loan Act. It has relation to one county only in the United States. The amendment is only a line and a half in length to an existing section of law. It permits the Federal land banks to make loans on farms in Osage County, Okla.

The trouble in the past has been that the mineral rights of these lands were withdrawn and reserved for the benefit of the Indians; and, because the mineral rights could not be mortgaged to the Federal land bank, the Federal land bank officials would not make loans in that county although the county contains some of the best lands in my State.

The House bill adds this line and a half to existing law:

Provided, That the first-mortgage loans shall be made without regard to the mineral rights therein.

This morning an effort was made to poll the Banking and Currency Committee; but, owing to the fact that Members were on the floor, only the following Members could be reached: The Senator from Florida [Mr. FLETCHER], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Delaware [Mr. TOWNSEND], the Senator from Maryland [Mr. GOLDSBOROUGH], and the Senator from New Jersey [Mr. KEAN].

Inasmuch as it is impossible to have a meeting of the committee, and inasmuch as it is very desirable to get this bill through if possible, I ask unanimous consent that the rule requiring the reference of the bill to a committee be waived and that the bill be laid before the Senate for consideration.

Mr. VANDENBERG. Mr. President, may I inquire whether the Senators named are in favor of the measure?

Mr. THOMAS of Oklahoma. They have endorsed the bill; yes.

The PRESIDING OFFICER. The Chair thinks the bill does not need to be referred to a committee under the rules, and the Chair lays the bill before the Senate.

The bill (H.R. 3344) to amend section 14, subdivision 3, of the Federal Farm Loan Act, was read twice by its title, considered by unanimous consent, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 14, subdivision 3, of the Federal Farm Loan Act (39 Stat.L. 372) is hereby amended to read as follows:

"Third. To accept any mortgages on real estate except first mortgages created subject to all limitations imposed by section 12 of this act, and those taken as additional security for existing loans: *Provided*, That the first-mortgage loans shall be made without regard to the mineral rights therein."

APPOINTMENT OF GOVERNOR OF HAWAII

The Senate resumed the consideration of the bill (H.R. 5767) to authorize the appointment of the Governor of Hawaii without regard to his being a citizen or resident of Hawaii.

Mr. VANDENBERG. Mr. President, I was discussing this carpetbagging measure yesterday when the conference report upon the independent offices appropriation bill was brought in; and, at the request of the Senator from South Carolina [Mr. BYRNES], I yielded the floor for the consideration of that report. I shall resume this afternoon the argument I was submitting at that time, if it is the purpose to attempt to proceed with this legislation in the closing hours of the session.

I think it is a thoroughly futile operation, because the opposition to this measure is so widespread, not only upon this side of the aisle but also upon the other side, and many of us have such a deep and abiding conviction on the subject, such a profound feeling that the pending proposal is an insufferable and indefensible affront to a free people, that there can be no conclusion within at least several days of debate. If, however, it is the purpose to persist in attempting to obtain the consent of the Senate to such an offensive measure, I shall proceed for a time with the discussion, and subsequently the discussion can be carried on by others.

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

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield.

Mr. WALSH. What was the division in the committee over this measure?

Mr. VANDENBERG. One of the interesting things about this matter is that, although we are proposing to take away a fundamental, 30-year-old right belonging to the Hawaiian people, there never has been a moment's consideration of the bill in the Senate Committee on Territories and Insular Affairs. I do not speak critically of the chairman of the committee, the able Senator from Maryland [Mr. TYDINGS], in this respect, because he had no time to submit the bill to

the committee. He merely polled the committee upon the proposition that the bill might be laid before the Senate without recommendation. Many of us declined even to permit it to come in without recommendation; but it is here on a poll of the committee, without any hearing, and with a partial consent of some of the members that it could be brought in without recommendation.

Mr. WALSH. Does the Senator know how many of the members of the committee agreed that the bill should be brought before the Senate without recommendation?

Mr. VANDENBERG. I do not; but, Mr. President, I ask the Chair whether the reported bill does not show the endorsement upon the back of those members of the committee who agreed to its report? If so, I ask that the list be given for the information of the Senator from Massachusetts.

The PRESIDING OFFICER. The bill is not on the desk. It will be brought in, however.

Mr. FLETCHER. Mr. President, the whole action was based upon a very brief message from the President recommending it, was it not?

Mr. VANDENBERG. The Senator is correct. I may say further to the Senator from Massachusetts that the only thing before the Senate on the subject is a 10-line message from the President of the United States, in which he speaks in a general way about the advisability of permitting him a free hand to name a governor who may not be involved in any of the local factionalism in the islands.

Mr. WALSH. The Senator is aware of the fact that there have been whispering rumors of indirect evidence being brought to the attention of the members of the committee that conditions there required this legislation?

Mr. VANDENBERG. Yes, Mr. President; and I intend to discuss that very fully. I do not think what the Senator refers to as whispering evidence——

Mr. WALSH. "Rumors", I say.

Mr. VANDENBERG. Or gossip, or rumor, or whatever it is—I do not think that is any remote justification for tearing up the organic law, which is a virtual contract between the Government of the United States and the people of the Hawaiian Islands in respect to the key right which they possess; namely, to have a governor of their own native residency to head their own local government.

Mr. LEWIS. Mr. President——

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

Mr. LEWIS. In behalf of the Senator from New York [Mr. WAGNER] and myself, may I ask the Senator from Michigan what he understands to be the reason or justification offered for this particular change which he says is so dangerous?

Mr. VANDENBERG. I am afraid I may not be a fair witness to paraphrase the excuses that are offered in behalf of this legislation, because it is so utterly offensive to every feeling of propriety and equity and democracy that I have in my being; but I will do the best I can to tell the Senator what it is claimed by way of justification should permit the President to seek a deserving Democrat from somewhere in the continental United States for this position.

Mr. LEWIS. We were asking whether the Senator from Michigan might not be suffering from an indignation caused by a contemplation or imagination as to what he thinks are the reasons behind this bill.

Mr. VANDENBERG. I am not sure what I am suffering from in that aspect. I know I am not suffering from any misunderstanding of the net result of the bill, which is to rob these people of their inherent rights, contracted to them in an organic act 30 years ago, and preserved ever since. Whether or not the reasons for this proposed legislation are imaginary, I do not know. I think they are.

As a matter of fact, there was a very complete investigation of conditions in Hawaii last year by a very high official of the American Government. I refer to Assistant Attorney General Seth Richardson, who a year ago was sent to the islands by order of the United States Senate at the very time when untoward circumstances, which we all regret and which none of us condone, were bringing the islands into disrepute. The Assistant Attorney General came back with his report, and it has been submitted, and it is available as a Senate document. It is Document No. 78, of the first session of the Seventy-second Congress, and it is a complete analysis of the situation. I defy you to find a single word in the document which asks for any change in the status of the governorship or which attributes those difficulties to the governorship. I defy you to find a single word in the document and in the report which indicates that the choice of a mainland governor will in any degree contribute to a liquidation of these difficulties, whether imagined or otherwise. On the contrary, the report is shot through with compliments to the inherent respect for law and order which possesses the people of the Hawaiian Islands.

The chief recommendations of a specific nature that are submitted in respect to the situation are recommendations for a closer-knit authority beneath the Governor, to wit, in respect to the police officers of Honolulu and in respect to the prosecuting officers of the subdivision of government in which Honolulu is located. I am coming to that in detail subsequently, but in a general way that is the best answer I can give to the Senator from Illinois in respect to the thin presumptions which are offered us as to why it is so necessary now to go outside of the islands in order to get a Governor.

Mr. President, when the debate was interrupted yesterday, I adverted to the fact, collaterally, that this Democratic "carpetbag" Governor movement unfortunately seemed to be threatening to communicate itself even to the District of Columbia, because I submitted to the Senate an article from a local newspaper which indicated at least a tentative purpose to import from Omaha, Nebr., a man to be a member of the Board of District Commissioners, officials who have the same general relationship to this District that governors would have to their States. I protested yesterday that "carpetbagging" is bad enough in Hawaii, but that it certain becomes completely indefensible when brought into play in the District of Columbia.

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

Mr. VANDENBERG. I will yield in a moment. I undertook to quote alleged direct statements from one whom the paper defined as the chief patronage dispenser of the new administration in respect to that purpose. I am very happy to read in the paper this morning the following sentence:

Mr. Farley—

He was the distinguished gentleman identified by yesterday's paper as the chief patronage dispenser of the new administration and the gentleman who was in charge of this "carpetbagging" prospectus.

Mr. Farley replied to Senator VANDENBERG's speech with a statement that none but genuine residents of the District would be considered for appointment as District Commissioners.

I want to welcome that belated statement and to congratulate Mr. Farley upon making it, and to accept the net result without further comment. Now I yield to the Senator from Maryland.

Mr. TYDINGS. In view of the fact that the law relating to the District of Columbia requires that the appointment of District Commissioners shall be confined to residents of the District of Columbia, and in view of Mr. Farley's statement this morning that he anticipates no change or recommended change in basic policy, it occurs to me that the Senator from Michigan, with his usual fairness, would not only want to commend Mr. Farley's statement, but that he would want to go further than that and beg Mr. Farley's pardon for the inference and for the reflection he cast upon Mr. Farley yesterday in assuming, from a mere newspaper article, that Mr. Farley had any intention of doing what the Senator from Michigan claimed yesterday he was about to do.

Mr. VANDENBERG. I thank the Senator for his compliment to my fairness, and I want to be scrupulously fair. I think Mr. Farley has shown a very commendable decision in respect to the announcement made yesterday evening and

published this morning. But the Senator will have to pardon me for the necessity of still believing that there was a purpose, if it could be done successfully, to "carpetbag" the District of Columbia, and I think the publication to this end which has repeatedly appeared in the press of the District without any denial on the part of our able friend, Mr. Farley, justifies the conclusion most emphatically that the matter was under consideration.

Mr. TYDINGS. I hope the Senator will not think I am flattering him when I say that, insofar as the opinion of the Senator from Maryland has any value, I think the Senator is one of the ablest and most useful Members of this body, and in spite of the fact that we are all human, and inclined to partisanship, he usually keeps within reasonable bounds. I am not going to take further issue with the Senator from Michigan on the question which he has raised, except to say that I must note, in line with the commendatory remarks which I think it deserves, that I think his present statement is somewhat an exception to that very enviable record.

Mr. VANDENBERG. I think it is necessary for the Senator to take that exception in vicarious defense of the attitude which I feel perfectly confident his party administration held until last evening or this morning in respect to the possibility of "carpetbagging" the District of Columbia. I realize that there is a law relating to the District which prohibits the naming of a nonresident as one of the District Commissioners, and I said upon yesterday, when I was discussing the matter, that I realized the existence of that inhibition, but I wondered whether, on the heels of this proposal to "carpetbag" the Hawaiian Government, we might not find ourselves confronted at the eleventh hour with a similar proposal to legalize the "carpetbagging" of the District of Columbia.

Mr. TYDINGS. The Senator will believe me when I say that basically I am with his proposition that the Governor of the islands, wherever it is possible, had best be a resident.

Mr. VANDENBERG. I am sure the Senator believes that.

Mr. TYDINGS. I am sure the Senator will take at its face value the statement of the President in which he says that there is no effort or purpose on his part to depart from a well-grounded and well-intentioned principle of local self-government; that the President has said in his message to Congress that it is only because his survey of conditions in the Hawaiian Islands has made it apparent to him that the best interests of the Hawaiian people themselves will be served at this time by granting the President the latitude to look in the widest field for a nominee to fill this important post.

Of course, every logical exception can be taken to that view, but I am sure the Senator from Michigan will concede that President Roosevelt has one thing in mind, and that is the welfare of all the people in the Hawaiian Islands. He may be in error; there is room for difference as to the wisdom of the enactment of this measure to be effective even temporarily, but the President has caused surveys to be made, the reports of which have come to the White House, and I am frank to say that I am supporting this amendment myself, only as a temporary proposition, because the leader of the United States at this time has requested the Congress to give him this power, not as a departure from permanent policy but in the interest of the people in the Hawaiian Islands; and only because of unusual circumstances, of abnormal conditions, has he asked for this power at this time.

Mr. VANDENBERG. Mr. President, if I can remember the various points raised by my able friend, I want to comment upon each one, because in each instance I think we find ourselves in rather complete fundamental agreement.

In the first place, I know that my friend the Senator from Maryland would be one of the last men in this Chamber to depart in any degree from the philosophy of home rule, not only because that is inherent in his own philosophy but because he comes from a State where that is a basic principle, and he is intimately related in his political philosophy with a State executive who is probably the outstanding apostle in this land of home rule. I refer to Governor Ritchie. I am sure that the Senator's philosophy is that of home rule, and that it is with utter reluctance that he departs from it this afternoon.

Second, I entirely concede the good faith of the Executive. Not even by indirection would I wish to reflect upon the good faith of the Executive. He is my President as well as the President of the Senator from Maryland. I simply feel, with profound conviction, that he has been misinformed in the present situation, and I want to do him the kindness of helping to save him from an error which I am sure he would subsequently regret.

If the President has made a survey which develops facts which justify the proposition now at the bar of the Senate, those facts have not been authenticated to me as a member of that committee of the Senate which ought to take jurisdiction over a matter of this nature.

Mr. TYDINGS. Mr. President, will the Senator yield right at that point for just an observation?

Mr. VANDENBERG. I yield.

Mr. TYDINGS. The Senator appreciates the difficulty in which the Senator from Maryland to a lesser degree and the President of the United States to a major degree are in reference to saying anything upon the floor of the Senate which might in any way be construed as a reflection upon the people in the Hawaiian Islands. If information has been adduced which would show any degree of lawlessness in the Hawaiian Islands, it is not very pleasant to stand on the floor of the Senate and make a remark which would indict a whole people. It is very difficult, I am sure the Senator will agree, for one to guide this bill, more or less, without exhibiting in a public way certain facts which might to some extent influence Senators.

Mr. VANDENBERG. Yes, Mr. President, that is true; but I would not want that implication to stand without this further comment: That, in my judgment—and it is based upon somewhat intimate information—it would be unfair to leave the inference that there is something which could be said which would entirely justify the proposed legislation, because in my view there is absolutely no justification, even in this alleged emergency, for the particular proposition to which we are asked to give our consent.

Mr. BORAH. Mr. President, the matter to which the Senator from Maryland makes reference—that is, the indicting or impeaching of the people of Hawaii—seems to me to be the most serious objection to this bill. The bill is based upon the fact that for some reason or other those people are no longer capable of furnishing a man in Hawaii fit to be Governor of the islands. That seems to me to be an attempt to draw an indictment of an entire people, a thing Edmund Burke said he did not know how to do.

Mr. TYDINGS. Mr. President, I do not think it can be denied that much of what the Senator from Idaho says is well founded, and I realize that it would be very difficult to present this matter in detail without appearing to attempt to indict an entire people. But I think this much might be said: The Hawaiian Islands at the present time have a business structure which permits four or five of the largest and wealthiest families in the Hawaiian Islands more or less to dominate the economic life of the islands. Then, too, the islands are divided up in racial classifications in a most unusual way. As a matter of fact, I know of no other place on the face of the globe where there are so many different races combined as in the Hawaiian Islands.

Added to those two facts is the third fact, that last year a very unhappy occurrence took place in the Hawaiian Islands, and conditions at that time were very strained. Indeed, even upon the floor of the Senate and in the House of Representatives, Members of this body and of the House rose and, with very little information, made remarks which perhaps had best been left unsaid at that time.

Subsequent to that affair, there has been, I am advised by authority which I do not think can be questioned, a division of the people more or less along racial lines, and because of the tie-up of business due to the racial divisions

there, it is very difficult for a person of the islands at this time to fit into the peculiar situation which now exists there.

Mr. CONNALLY. Mr. President, will the Senator from Maryland yield to me?

Mr. VANDENBERG. I think I have the floor. I yield to the Senator from Texas.

Mr. TYDINGS. May I say that I got lost in answering the Senator from Idaho, and I did not mean to intrude?

Mr. VANDENBERG. I am afraid I shall get lost if I do not get the floor back pretty soon.

Mr. CONNALLY. I grant that triangles are usually most unfortunate, whether they are social or otherwise. [Laughter.]

What I wanted to suggest was that if we selected a local man he would have to be identified, more or less, with one of these controversial and diverse groups.

Mr. TYDINGS. If the Senator from Michigan will allow me to conclude with an added sentence, that is absolutely the case. It is doubtful whether, except under very favorable conditions, any one man in the Hawaiian Islands can bring to the office of Governor impartiality, a detached point of view, and a knowledge of the situation which exists there without involving his own personal fortunes and equations.

Mr. VANDENBERG. Mr. President, I want to comment on that particular thought.

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

Mr. VANDENBERG. In just a moment.

Mr. KING. I want to ask the Senator if he will not yield to me to call for a quorum.

Mr. VANDENBERG. Not at the moment.

Mr. KING. I wish the Senator would.

Mr. VANDENBERG. I will shortly. I want to reply to this particular observation.

I want to say to the Senator from Maryland that if there are factional divisions in the islands today—and I agree that there are—it is my judgment that no superimposed Governor can be the constructive focus for unified progress. On the contrary, an imported, superimposed Governor, brought in in nullification of the organic act, is more calculated to be the hostile focus for unified and intensified resentment.

Mr. BORAH rose.

Mr. VANDENBERG. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I wanted to say to the Senator from Maryland that a very great Democrat once said that democracy involved the right to make mistakes as well as to do the right thing; and if the Hawaiian people have made mistakes, no one can correct them except themselves, if we are going to adhere to the doctrine of local self-government.

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

Mr. VANDENBERG. I yield.

Mr. TYDINGS. The Senator is very courteous, and I do not want to infringe too much on his time, but I should like to indicate some of the relations in the Hawaiian Islands of a business nature.

Mr. VANDENBERG. I do not want to yield for an indefinite statement.

Mr. TYDINGS. I think I had better wait and not infringe upon the Senator's time.

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

Mr. VANDENBERG. I yield.

Mr. KING. 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	Bulow	Dieterich	Johnson
Ashurst	Byrd	Dill	Kean
Austin	Byrnes	Duffy	Kendrick
Bachman	Capper	Erickson	King
Bailey	Caraway	Fletcher	La Follette
Bankhead	Carey	Frazier	Lewis
Barbour	Clark	Glass	Logan
Barkley	Connally	Goldsborough	Lonergan
Black	Copeland	Gore	Long
Bone	Costigan	Hale	McAdoo
Borah	Cutting	Harrison	McCarran
Bratton	Dale	Hatfield	McGill
Brown	Davis	Hayden	McKellar
Bulkley	Dickinson	Hebert	McNary
Metcalf	Reynolds	Steiwer	Vandenberg
Murphy	Robinson, Ark.	Stephens	Van Nuys
Neely	Robinson, Ind.	Thomas, Okla.	Wagner
Norris	Russell	Thomas, Utah	Walcott
Nye	Schall	Thompson	Walsh
Overton	Sheppard	Townsend	Wheeler
Pope	Shipstead	Trammell	White
Reed	Smith	Tydings	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, at the time the quorum was called we were discussing the question whether or not an available citizen of Hawaii may not be found by the President of the United States for appointment as Governor to succeed the able Governor Judd. The implication brought to us that there is no available individual who can qualify within the terms of the organic act in respect to residency, I assume, means there is no available Hawaiian Democrat, because I know there are many available Hawaiian Republicans, whom even I could name to a considerable number. But it is inconceivable to me, Mr. President, that anyone should undertake to support the claim that there is not today an eligible, dependable citizen of Hawaii, a citizen within the meaning of the organic act, available for the governorship. It seems to me that any such presumption is denied by the long line of very able Governors, a line which has been interrupted only occasionally by questionable Governors. It seems to me it is denied by the excellent administrative record of Governor Judd, the incumbent executive.

The Senator from Maryland assures me that there is no truth in the oft-printed story that this effort to qualify a carpetbag Governor from the mainland was for the purpose of putting Judge Ben Lindsay into Honolulu as the Governor. The Senator has assured me that there is no justification for that repeated story. Well, I confess that it would have seemed like very much of a paradox, if not a nature fake, to have chosen free love's first friend as the reforming Governor of the moral situation in Honolulu. [Laughter.]

I do not know what continental Democrat is contemplated for this carpetbagging post at Honolulu in the event that the consent of the Senate for a change in the organic act can be secured—a consent which I do not think is going to be given—but I am unable to believe, I repeat, that there is not ample and adequate Hawaiian citizenship within the terms of the organic act to provide a continuation of the fine line of Hawaiian governors who have served the Territory since the organic act was originally written.

Mr. President, I have visited the Hawaiian Islands within the last 2 or 3 years, and I made a somewhat intimate study of conditions there. At that time there was unrest and there was impatience, but there were other affirmative qualities and characteristics to which I think it is only simple justice that someone from the mainland should bear testimony. My able friend, the Senator from Maryland, speaks about the racial difficulties and the racial divisions. I suppose Honolulu is one of the most cosmopolitan cities in the world in that aspect. Unquestionably there is a racial problem. We have racial problems, too.

I went to the so-called "Royal School", which is one of the principal grade schools of Honolulu, where once a week an Americanization ceremony or service is performed, participated in by little children of more than one color and of more than one race, which was the most inspiring, significant, and monitory lesson in successful racial amalgamation under the American flag that I have ever seen anywhere, and I doubt if a parallel exists elsewhere under the flag.

This weekly service, this weekly ritual, was created originally under the auspices of a very able educator. My recollection is his name was Cyril Smith. At any rate, visitors to the islands, who now rarely fail in the course of their pilgrimage to contact this Americanization service in the Royal School, always have the same reaction. I repeat that it is the finest thing of its sort, the most instructive example of effectual Americanization, leadership, and labor that I know of anywhere within the jurisdiction of the United

States. They can give us lessons in this respect. They do not need us to teach them.

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

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. VANDENBERG. I yield.

Mr. LONG. I have been told that the main purpose of the bill really relates back to the fact that there are five candidates over there for the governorship, or, rather, there are five prospective Democratic candidates, and they cannot get together. If we are going to wait for the Democrats to get together, we are going to have more trouble picking somebody here in the United States than they are in Hawaii.

Mr. VANDENBERG. I thank the Senator for his very pertinent observation. Of course, I have heard the story, too, that one of the impelling motives is an inability of native Hawaiian Democrats, who now taste victory for the first time in a generation, to agree upon a division of the spoils. But certainly it would be a travesty for us to permit an internecine patronage row in the Democratic Party to be used for the crucifixion of fundamental Anglo-Saxon and American rights in respect to home-rule authority and jurisdiction, as is contemplated, as I view the situation, by the pending measure.

But I agreed with my able friend the Senator from Maryland [Mr. TYDINGS] when we started this discussion that we would proceed on the theory, which I entirely accept, that the President's recommendation is submitted in the complete good faith that he considers it necessary in respect to the situation which he there confronts. I want to continue to argue the matter upon that hypothesis.

I was speaking about the racial war which the Senator from Maryland has indicated is one of the reasons why something of this revolutionary nature must be done. The Senator has also referred to social conditions. One of the great social problems in the islands is the problem of leprosy. I visited the leper colony. I visited the leper orphanage. Again I want to testify—and I think we owe it in justice to the fair name of Hawaii and her forward-looking citizens that the testimony should be given—that nowhere in this world to my knowledge is there a more remarkably successful social-service enterprise than in the Hawaiian treatment of its own leper problem.

If the Senator from Maryland were to join me this afternoon in a visit to those leper colonies, he would come away, as I did, completely filled with an emotional appreciation of the fact that there is local government in the Hawaiian Islands which not only is unafraid in the face of a difficult social problem but which is amazingly successful in its treatment of the challenge. I resent the implication that a people who can meet social problems of this nature so effectually for some unspoken reason must be robbed of their birthright.

We hear about dangerous days in the Hawaiian Islands. That is one side of the picture. On the other side of the picture is a very beautiful and a very pacific hospitality.

We hear about hymns of hate. On the other hand, Mr. President, the haunting melodies of Aloha and the Song of the Islands are a part of the native character. There is nothing belligerent or criminal or vicious about it. It is as sympathetic a nature and as easily led in the right way as any human nature in this world.

We hear about an island hell. On the other hand, this is the paradise of the Pacific.

Mr. President, Hawaii has no one to stand upon the floor of the Senate and plead for it. Even under the organic act it is not allowed a spokesmanship here in the Senate. Perhaps that is one of the reasons why I feel particularly impelled to join the movement which undertakes to say that this bill shall not pass. It does have an official spokesman yonder in the other body, the House of Representatives. He is a distinguished spokesman for the Democratic Party in Hawaii also, I think it is fair to add. He stood upon the floor over yonder at the other end of the Capitol with tears in his eyes and with tears in his voice pleading that this thing should not be done; that this outrage should not be perpetrated upon the people of his island. I think he would know, Mr. President, if there was any dire need for this thing which we are asked to do in the name of some unspoken menace. I think probably he is committed to the welfare of his own people even more sincerely than any of us could even pretend to be.

There is no doubt in my mind that if the Delegate from Hawaii felt there was any remote threat to the safety of life and property and to the public welfare in the islands, he would be the first to demand some change by way of correction. But the voice that we hear in the Congress speaking officially on behalf of the people of Hawaii, speaking first as the result of a Democratic nomination, second as the result of a Democratic election which was gained in the campaign in which he traversed the islands assuring the people that their home-rule rights were safe in the hands of the Democratic Party—a spokesmanship now which represents the united people of Hawaii in this crisis—that spokesmanship begs that the organic act shall not be torn asunder in this alleged passing emergency for the sake of carpetbagging the governorship.

Mr. President, the decision we are asked to make in licensing Hawaiian carpetbagging may not mean very much to us. It is merely a passing incident in the climax of a busy session. But it means a very great deal to a subordinate unit of our Government when an American Territory is deprived of its contractual and its traditional rights. I submit that it means a great deal more to us than appears upon the surface because involved in it is something more than the mere temporary status of the next Governor of Hawaii, because in it is the question of the good faith of the United States in respect to the organic act which has been upon the books for 30 years and which, from the very moment of its inception, has had for its keystone the warrant of a Governor who is a resident of the islands themselves.

(At this point Mr. VANDENBERG yielded for the consideration of Senate Joint Resolution 63, and for a statement by Mr. STEPHENS, which appear elsewhere in the RECORD under appropriate headings.)

Mr. VANDENBERG. Mr. President, now we will return for a little while to the consideration of the carpetbag bill. This would be a strange session of Congress, indeed, if it were to be marked by action which frees the Philippines and enslaves Hawaii. The two things are simply totally incompatible and inconsistent. It seems to me that, in a political sense, to deprive a Territory of its Governor under the terms of its own organic act is the very symbol of slavery.

We were speaking a little while ago about the fact that Hawaii has conducted itself and its affairs and its government in a fashion which does not warrant any such affront or any such invasion. The exhibits which defend that conclusion are legion.

Mr. President, the last time I looked at the figures the treasury of the Hawaiian Islands had a balance of $4,236,000. I respectfully submit that if there is one State or Territorial treasury with a balance in it we had better leave it in control of those who have been efficient enough to create a balance and not put that balance to the jeopardy of the average mainland governor.

Not only that, Mr. President, but the people of the Hawaiian Islands have been carrying and bearing and paying their full share of every tax that has been assessed by the Congress of the United States for 30 years upon continental United States. The Senator from Maryland when this debate opened undertook to pretend that there was some sort of a parallel between a Territory and a possession; he undertook to draw an analogy between the status of a Territory and the status of a possession. There can be no such analogy; it is utterly erroneous and utterly unfair to pretend that there is an analogy. The citizen of a Territory is what might be termed a "paying" citizen; he is subject to all the same forms of taxation as are the rest of us. The citizen of a possession, on the contrary—and I refer, for example, to the Philippines—makes no tax con-

tribution whatsoever to the main Treasury of the United States, and there can be no analogy, I repeat, as between two such conditions.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Florida?

Mr. VANDENBERG. I yield.

Mr. FLETCHER. Perhaps I am asking too much, but I was wondering if the Senator would yield to allow me to present a matter which will occupy but a moment or two, with the hope that it may be acted on by the House? I find there was an error made in the securities bill by the draftsmen and others in connection with that measure whereby the District of Columbia was left out.

Mr. VANDENBERG. I will yield in just a few moments. I want to develop this particular thought to its conclusion.

I repeat that the citizens of Hawaii have been constant taxpayers on precisely the same basis as any citizen of Maryland or Michigan or California or any other State of the Union throughout these 30 years. Indeed, Mr. President, the amazing fact is that a balancing of the books as between Hawaii and the Federal Government shows during the first 30 years of this relationship that Hawaii has sent $175,000,000 to Washington, while the Federal Government has spent upon Hawaii in activities which might properly be charged to the Territory about $33,000,000, leaving a Federal net profit, if that term is permissible in discussing a question of government, of some $149,000,000 in taxes received from the islands.

Mr. President, when we are dealing with a subordinate unit of our Government which not only has borne a full share of the tax burden with those of us who live upon the mainland but which also has paid into the Federal Treasury in the 30 years of our relationship nearly $150,000,000 more than we in turn have spent upon it, I respectfully suggest there is presented to us a challenge which cannot be lightly brushed aside when we are asked to deal with those people and with that subdivision of government in the status literally of a vassal state.

Contemplating, Mr. President, that tax relationship, contemplating the organic act, which for 30 years has guaranteed local self-government to the extent at least of a native resident as Governor, against that background, I submit when the Congress is asked without any submission of a show of supporting evidence, summarily and out of a clear sky, to impair and nullify the warrant in the organic act for local residency as measuring the eligibility of the Governor, that the citizens of Hawaii would be well entitled to ask us to read a few sentences from our own Declaration of Independence. This is an old-fashioned document, Mr. President.

Mr. LONG. And an out-of-date one.

Mr. VANDENBERG. Probably it is entirely out of date and may have no relationship to the "new deal" at all; nevertheless, I find therein in connection with the recital of the wrongs against which our people undertook to revolt a few sentences which, while not literally applicable to the situation which we are asked to correct in Honolulu, nevertheless, has its exact implication. Here is one of the things about which our forefathers complained:

He—

"He" being the King; we do not have a king; we call him something else—

He has erected a multitude of new offices and sent hither swarms of officers to harass our people.

Well, the pending joint resolution does not represent a multitude of swarming officers, but it represents the key officer, who is to be sent upon a carpetbagging basis to administer gubernatorial responsibility which, under the organic act, should rest by contract and by solemn agreement in the hands of a Governor who is a bona fide resident of the islands.

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

Mr. VANDENBERG. I will yield when I have concluded this suggestion. Reading again from the Declaration of Independence:

He—

The King—

has combined with others to subject us to a jurisdiction foreign to our Constitution and unacknowledged by our laws.

That has literal application—

He has combined with others to subject us to a jurisdiction foreign to our Constitution and unacknowledged by our laws.

That precisely describes the pending action which Congress is asked to take, if it ever takes it.

Again defining one of the causes of complaint which drove us to make this Declaration, the King is criticized—

For taking away our charters, abolishing our most valuable laws, and altering fundamentally the forms of our governments.

That applies literally, Mr. President, at least in respect to the key position of Governors in the islands, because it is proposed to abolish the most important key-right that the citizens of the Hawaiian Islands enjoy in respect to the guaranty that their Governor shall be one of their own neighbors and one of their own citizens; and it does alter fundamentally the form of their government, because the fundamental factors of any government is altered when an outside carpetbagging chief executive is brought there in the place of a local chief executive.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Maryland?

Mr. VANDENBERG. I yield.

Mr. TYDINGS. I note by the population statistics of the Hawaiian Islands that 143,754 persons out of 375,211 all told are Japanese. Assuming that these Japanese are citizens of the United States, which is true of a majority of them, and that they are about 40 percent of the population of the islands, I am wondering if the Senator's philosophy of local self-government goes to the extent that he feels that a Japanese would be more representative than any other person that might be selected, and that a Japanese should therefore be selected by the President as Governor of the islands.

Mr. VANDENBERG. No, Mr. President; I do not agree at all with any such suggestion. Indeed, with great respect to the Senator, I think the question has implications in it that are something of an affront to these people. There is a racial melting pot upon the islands, certainly. There is a racial problem, certainly. I do not deny for a moment that the Senator from Maryland is justified in saying that we must contemplate the racial problem through serious, critical eyes.

Mr. TYDINGS. Yes; but the Senator——

Mr. VANDENBERG. Just a moment. But, Mr. President, there is an ample number of citizens in the Hawaiian Islands who rise completely above any remote fear of suspicion that the Senator from Maryland may conjure, who know more about the thing he is trying to talk about, without knowing anything about it at all, than could any imported Governor who never saw the place until he landed at the wharf.

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

Mr. VANDENBERG. I yield.

Mr. TYDINGS. The Senator has just read from that immortal document known as "the Declaration of Independence." It seems to me some place in that document there is a statement that all men are created equal, ordained with certain unalienable rights, and so forth. Certainly the Senator is not going to quote from that document and then contradict his own philosophy by the same document, is he?

Mr. VANDENBERG. I fail to follow the Senator. I do not blame him for trying to change the subject and to broaden the contemplation so that we cease to remember that his purpose at the moment is to carpetbag the gover-

norship of Hawaii. That is the only thing we are talking about.

Mr. TYDINGS. No; I am just trying to find out if we ought not to take care of those people out there in line with what the Senator has said. Assuming that 40 percent of the population, in round numbers, are Japanese, what finer principle of local self-government could there be than to select the Governor from the majority race in the islands, meeting the philosophy of the Senator from Michigan?

Mr. VANDENBERG. The Senator can carry that philosophy to any extreme he wishes. We recognize in this country one rule of citizenship. It makes no difference what the racial root may be, one rule of citizenship applies. It applies under the same flag in Hawaii. I decline to be drawn into any effort to subdivide racially American citizens by sovereign right, every one of them, for the purpose of supporting the Senator's effort to inject an external Governor into the Hawaiian Islands.

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

The PRESIDING OFFICER. Does the Senator from Michigan yield further to the Senator from Maryland?

Mr. VANDENBERG. I yield.

Mr. TYDINGS. Of course, the Senator by that remark and by refusing to be drawn into a discussion of this kind, after he himself has said that our whole basic structure is one of no racial line, infers by his answer that he would favor the appointment of a Japanese citizen of the United States as Governor of the Hawaiian Islands.

Mr. VANDENBERG. The Senator may draw his own conclusion. I suppose the Senator from Maryland would rise now and in similar philosophy say that because there are more Negroes in Mississippi than white men, there ought always to be a Negro Governor of Mississippi.

Mr. TYDINGS. No; that is what the Senator from Michigan has been saying.

Mr. VANDENBERG. On the contrary. The Senator is saying that any American citizen is entitled to be Governor of Mississippi if he qualifies as a citizen of Mississippi. In the same analogy he is saying that any American citizen who is a citizen of Hawaii, whether his roots be Japanese, Chinese, Polynesian, or Maryland, is entitled to be Governor of the Hawaiian Islands, if he otherwise qualifies and is acceptable to the President of the United States.

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

Mr. VANDENBERG. Gladly.

Mr. TYDINGS. The Senator has been laying down the proposition that those people live in complete amity, that everything is beautiful in the Hawaiian Islands. He describes the leper colony. He describes the school which was a marvel of patriotism and citizenship.

Mr. VANDENBERG. Does the Senator from Maryland deny any of it?

Mr. TYDINGS. He was for local self-government carried to the *n*th power, and I only want to find out whether or not, in view of the wide territory he took in, there is any limitation. Now I find there is no limitation, that he is for local self-government by a group of Hawaiians who happen to come within the Caucasian race.

Mr. VANDENBERG. The Senator has completely misstated what I said. I will state it so the Senator cannot misstate it. I am in favor of a Governor of Hawaii who is a bona fide resident of Hawaii and a bona fide citizen of the United States. I decline to inquire into his religion, his race, his parents, his creed, or his politics, or the color of his hair.

Mr. TYDINGS. Then if there is a bona fide resident of the Hawaiian Islands who is a citizen of the United States, all other things being equal the Senator has no objection whatsoever to his being a Japanese by racial derivation?

Mr. VANDENBERG. If he is appointed Governor by the President of the United States, and there is no objection against him except of racial root, he is entitled to be Governor. I should like to know whether the Senator objects to that answer.

Mr. TYDINGS. I certainly do. I am not in accord with that philosophy. I think there must be by some equation limitations even upon that theory of local self-government, and the Hawaiian Islands are a very pronounced exception.

Mr. VANDENBERG. I thought we started out on the basis that Thomas Jefferson said, "All men are created equal."

Mr. TYDINGS. The Senator from Michigan started out on that basis.

Mr. VANDENBERG. No; I did not mention Jefferson. The Senator from Maryland brought him out. Since we are on Jefferson and Jeffersonian principles, I should like to go a little farther in that direction.

Mr. NORRIS. Mr. President, will the Senator permit a question before he takes up Jefferson?

Mr. VANDENBERG. I am going to take up the Jeffersonian party, not Jefferson. I yield to the Senator from Nebraska.

Mr. NORRIS. Is there any contention here or any fear expressed that if the joint resolution is defeated we are going to have a Japanese appointed Governor of Hawaii?

Mr. VANDENBERG. No.

Mr. NORRIS. That relieves me very much.

Mr. VANDENBERG. Not unless the Senator from Maryland insists upon it.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Virginia?

Mr. VANDENBERG. Gladly.

Mr. GLASS. May I ask the Senator from Michigan if he believes that Mr. Jefferson told the truth when he said that all men are created equal?

Mr. VANDENBERG. I think he thought he did.

Mr. GLASS. I think if he were living now he would change his mind. [Laughter.]

Mr. VANDENBERG. I am sure he would; and if he were living now and were to come to Washington and inspect some of the legislative structure that has been built under the auspices of his party during the last 100 days, I think he would turn usually to the Republican side of the aisle to find Jeffersonian principles exemplified, with occasionally an exception in such able and faithful Jeffersonians as the Senator from Virginia.

Mr. GLASS. I think he would not walk on the same side of the road with many of us on either side of the Senate Chamber. [Laughter.]

Mr. VANDENBERG. But now let us come back to carpetbagging. I have referred to the fact that the organic law is a contract with the people of the Hawaiian Islands. I think perhaps I ought to refresh the recollection of Senators regarding that particular situation.

These islands were annexed to the United States in 1898. The organic act was adopted in 1900. Section 5 of the organic act provides that "The Constitution and all the laws of the United States which are not locally inapplicable shall have the same force and effect within said territory as elsewhere in the United States." Thereby the Constitution became the constitution of the islands and the laws of the United States became the laws of the islands.

Section 4 provides that all persons who are residents of the Republic of Hawaii on August 12, 1898, "and all the citizens of the United States who shall hereafter reside in the Territory of Hawaii for 1 year, shall be citizens of the Territory of Hawaii."

Note this language, referring to the Governor:

> He shall be not less than 35 years of age, and he shall be a citizen of the Territory of Hawaii.

Therefore no one could be Governor unless he had resided in Hawaii for 1 year or more until 1921, when that particular section was amended. In 1921 section 66 of the act was amended by inserting, after the provision that the Governor shall be a citizen of the Territory of Hawaii, a requirement that he shall have resided therein 3 years next preceding his appointment, in lieu of the 1-year residential requirement.

Mr. President, there was a reason for that change from 1 year to 3, and it is a very significant thing why and how the change happened to be made in 1921. The principal reason was that L. E. Pinkham had been appointed Governor and he was not a bona fide resident of Hawaii at the time of appointment. He had been in the Philippine Islands and China gathering up coolie labor for some of the sugar plantations, and when he was appointed Governor he brought with him—and I am now quoting the language of one of the California Members of the House who is intimately related to the problem—"a lot of carpetbaggers, with resulting misrule and dissatisfaction." In other words, the requirement for the 3-year residency was written in 1921 for the specific purpose of trying to erect a further barrier against the precise type of carpetbagging which we are now asked to justify in the pending legislation. This is not a "new deal." It is an old deal, a repudiated deal.

So there is the organic act; there is the fundamental contract between the American people and the citizens of Hawaii; and it is that contract which, for some undisclosed reason, we are being asked to nullify and reject in respect to this fundamental right in the closing moments of this session, without any adequate or conclusive inquiry.

There are some other contracts in existence, Mr. President. It has been said a good many times on the floor of the Senate that the platforms of political parties are contracts. If any Senators upon this side of the aisle intend to vote upon this bill in the light of the obligation that binds them in the literal terms of their Republican Party platform, I should like to read them the following language. I am quoting from the recent Republican Party platform of 1932:

> We believe that the existing status of self-government which for many years has been enjoyed by the citizens of the Territory of Hawaii should be maintained, and that officials appointed to administer the government should be bona fide residents of the Territory.

There is no question about what that means.

Mr. President, apparently nothing was said in the Democratic platform of 1932 regarding the Hawaiian situation. They were undertaking to write a condensed platform, and I think they set a magnificent precedent in that respect. They could not deal in detail with everything which it heretofore has been the practice to cover almost ad infinitum, ad nauseum, in these poltical platforms; but that does not mean that there is not a long and continuous line of Democratic precedent which, I respectfully submit to my colleagues across the aisle, challenges any invasion of this particular home-rule right in Hawaii except as there is an absolute commanding reason to do it.

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

Mr. VANDENBERG. Yes; I yield.

Mr. WHITE. The Senator spoke a moment ago of "the recent Republican Party platform." Did he not mean the "recent platform of the Republican Party"? [Laughter.]

Mr. VANDENBERG. The Senator can take his own choice. In either event, whether it be before or after the fact, the Republican Party and the Senator from Maine are committed to bona fide residency as the prime requisite in the selection of a Governor of Hawaii.

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

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. VANDENBERG. Very gladly.

Mr. NORRIS. I am induced to make this suggestion because of the suggestion made in the recent interruption. Evidently we are trying to get somewhat technical. Does the Senator mean now by his language that the Senator from Maine is not a member of the Republican Party? The Senator said "the Republican Party and the Senator from Maine." [Laughter.]

Mr. VANDENBERG. I spoke inclusively, and I wanted particularly to identify the Senator from Maine, so that if he should wander at all in his political attachments in the next 24 hours he would know where he could find the home plate. [Laughter.]

Now, let us see what the long-standing Democratic commitment is upon this subject. I repeat that it seems to me this carries a serious challenge with it. We can start back in 1904, which is one of the first chances the Democratic Party had to speak in respect to this matter, when the situation was comparatively new and when there had not been developed so large a body of Hawaiian citizenship which might qualify for the governorship within the language of the organic act:

> We hold that the officials appointed to administer the government of any Territory * * * should be bona fide residents at the time of their appointment for the Territory * * * in which their duties are to be performed.

There is no question about what that means.

Here is another sample—the platform of the Democratic Party adopted at St. Louis in 1916:

> We favor granting to the people of Alaska, Hawaii, and Puerto Rico the traditional territorial government accorded to all Territories of the United States since the beginning of our Government, and we believe that the officials appointed to administer the government of these several Territories should be qualified by previous bona fide residence.

That is 1916. We come up to 1928; and these three examples ought to suffice. In 1928, at Houston, the Democratic platform said:

> We favor the development of Alaska and Hawaii in the traditional American way through self-government. We favor the appointment of only bona fide residents to office in the Territories.

There cannot be any doubt or equivocation about the construction to be put upon that.

Mr. President, every commitment that has been made by either political party in the United States for the last 30 years is at war with the proposal which is pending at the bar of the Senate. Every letter and every bit of the spirit of the organic act, which virtually amounted originally to a treaty between two Republics—the Republic of Hawaii and the Republic of the United States—every scintilla of it is at war with any proposition suddenly to precipitate a carpetbagging governor upon them.

Mr. President, every fundamental element of Anglo-Saxon fair play, and every traditional American theory of home rule are at war with the proposition which is brought to us seeking to win our consent to the destruction of the key authority in respect to home rule in the Hawaiian Islands. I submit that in spite of all the temporary difficulties which they may have had, and in spite of any difficulties yet remaining, we are not entitled to invade that fundamental right upon any such flimsy pretext.

We have serial troubles in our own United States, Mr. President. The Senator from Maryland speaks about racial difficulties. We have, upon occasion, very serious racial difficulties in States within our own continental country; but when we have them we do not promptly propose to take their governorship away from them and give them an absentee overlord. There is lawlessness in the United States upon more than one front. There are rackets in Chicago, and rackets in Detroit and elsewhere, and outlawry—literally outlawry—in connection with them; but I have not heard anybody suggest that we should rob those sovereign States of their governors, or their right to be governed by one of their own citizens, just because of these transient difficulties.

Ever so often there is a disclosure in New York of rotten, filthy government under the auspices of Tammany Hall. Mr. President, if upon the heels of every such disclosure as that we were to take the governorship away from the people of New York, I doubt if there would have been many minutes in the last 100 years that they would not have been ruled by someone from the outside. No; that is not the way it works.

Inasmuch as the citizens of Hawaii—not citizens of a possession, but citizens of a Territory—have every right that you and I possess under the flag and meet every responsibility and every duty that you and I confront under

the flag, inasmuch as they are absolutely equal copartners with us in our Americanism, I submit that we are not entitled on the summary spur of an expedient moment, without any showing of adequate need for the offense, to tear up the most fundamental thing in the organic act and to superimpose a carpetbagging government upon the people in the Territory of Hawaii.

SUSPENSION OF SECTION 18 OF EXECUTIVE REORGANIZATION ORDER

During the delivery of Mr. VANDENBERG's speech,

Mr. McNARY. Mr. President, I observe the presence of the able Senator from Arkansas [Mr. ROBINSON] at the moment, and therefore call up the matter to which I am about to refer.

A few days ago I introduced a joint resolution (S.J.Res. 63) disapproving section 18 of the Executive order of June 10, 1933, relating to the organization of executive agencies. The joint resolution called for the abolition of section 18 of the Executive order sent to the Congress by the President on last Friday. That section refers to vocational education, agricultural experiment stations, and so forth. At the time I brought up the matter the Senator from Arkansas thought there would be a chance of coming to an understanding with respect to the matter. In an informal conversation yesterday I understood the Senator to say the President would be willing temporarily to suspend the Executive order until 60 days after the convening of Congress in January.

The joint resolution which I have introduced provides for a permanent abolition of the Executive order referring to those agencies of the Government. The Senator from Idaho [Mr. BORAH] has a joint resolution pending suspending temporarily the order until 60 days after the beginning of the next session of Congress.

I am willing, in conformance to the opinion of the Senator from Arkansas and the President of the United States, to accept the proposal and will offer a modified form of joint resolution to conform to the joint resolution introduced by the Senator from Idaho, which calls for temporary suspension of the Executive order.

Mr. ROBINSON of Arkansas. Mr. President, I shall make no objection to the submission of the joint resolution. I should like to have it read.

Mr. McNARY. I ask to have it read from the desk.

The PRESIDING OFFICER. The joint resolution will be read.

The legislative clerk read the joint resolution (S.J.Res. 63) temporarily suspending section 18 of the Executive order of June 10, 1933, relating to the organization of executive agencies, as follows:

Resolved, etc., That notwithstanding the provisions of title IV of part II of the Legislative Appropriation Act, fiscal year 1933, as amended, the provisions of section 18 of the Executive order providing for certain regroupings, consolidations, transfers, and abolitions of executive agencies and functions thereof, transmitted to the Congress on June 10, 1933, and printed in House Document No. 69, Seventy-third Congress, first session, shall be, and the same is hereby, suspended until the convening of the next session of the Congress, and for 60 days thereafter.

Mr. ROBINSON of Arkansas. May I see the joint resolution?

The PRESIDING OFFICER. Does the Senator from Oregon present this as a substitute for his other joint resolution?

Mr. McNARY. Yes. That is the joint resolution I proposed a few days ago, modified after conference with the Senator from Arkansas.

Mr. BORAH. This covers four propositions.

Mr. McNARY. It covers section 18, which embraces the four activities of these agencies of government.

Mr. ROBINSON of Arkansas. Mr. President, the only suggestion I have to make to the Senator from Oregon is an amendment in the nature of a correction. I think the words in the second written line should be "are" instead of "is", the language being:

The provisions of section 18 * * * be and the same is hereby suspended.

I think it should be "are hereby suspended."

Mr. McNARY. That is correct.

Mr. ROBINSON of Arkansas. Let me say that this language has the effect of preventing section 18 of the President's Executive order from going into effect until 60 days after the meeting of the next session of Congress, which will afford ample opportunity, first, for such revisions as the President himself may desire to make with regard to section 18; and, second, it will afford an opportunity for the Congress to pass finally upon the question as to whether the section, either as it now is or as it may hereafter be modified, shall go into effect.

I shall not make any objection to the consideration of the joint resolution.

Mr. CONNALLY. Mr. President, before the joint resolution is passed I desire to ask a question of the Senator. I call the attention of the Senator from Arkansas and the Senator from Oregon to one feature of this consolidation which particularly affects the Senate and the House, and really ought to be included in the resolution of suspension.

The Senator will recall that in 1916 Congress created what is called a Public Buildings Commission—that is, a Commission composed of Members of the Senate and the House, the Architect of the Capitol, and others—for the purpose of keeping the control of the public buildings here in the District within the Congress, rather than turning them over to the executive branch of the Government.

Under this Executive order the Public Buildings Commission has been abolished as a legislative organization and transferred to the Department of the Interior. I happen to be a member of it. It is of no consequence to me personally, because it only involves a lot of work, and gives no honor whatever; but other members of the Commission, who have been on it a great number of years, seem to feel that it is not properly within the scope of this reorganization Executive order, because it is not strictly an executive function at all. It is a legislative function, because it is created by Congress, and it is under the control of Congress. I think it ought to be included in this suspension, in order that we may look into the matter between now and the next meeting of Congress.

Mr. ROBINSON of Arkansas. May I ask the Senator from Texas in what section this is found?

Mr. CONNALLY. It is under section 2—National Parks and Buildings.

Mr. BORAH. Mr. President, I should have no objection to that being included, but I am very much afraid we will get so much in this joint resolution that it will encounter trouble in the House.

Mr. CONNALLY. I will say to the Senator from Idaho that this Commission has only one clerk. That is all the expense it involves. If we put it in the Interior Department, it will probably have 3 or 4 or 5 clerks.

The only expense to the Government of maintaining this Commission is the employment of one secretary. The important thing is that the present organization of the Commission leaves Congress in control of the public buildings here in the District and the space within those buildings, and does not turn them over to the executive branches, which are extravagant of space and extravagant of money and everything else.

Mr. ROBINSON of Arkansas. Mr. President, I do not regard the amendment suggested by the Senator from Texas as of controlling importance. I shall not make any objection if the Senator from Texas offers that as an amendment to this joint resolution; and it has been suggested to me by the Senator from Wyoming [Mr. KENDRICK] and by others that the language embraced in section 2, namely, "the national cemeteries of the War Department which are located within the continental limits of the United States", might very well be inserted in the joint resolution. I do not wish to offer these amendments if the Senators who propose the joint resolution object to them; but, if there be no objection, I express my willingness to consent to the amendments.

Mr. McNARY. Mr. President, I am not quite sure of my attitude with regard to that matter at this time. May I have the assurance, or is the Senator from Arkansas in

position to give me the assurance, that the passage or acceptance of this joint resolution will be controlling with the President?

Mr. ROBINSON of Arkansas. Mr. President, it is my information that the President of the United States has so written his Executive order that he is at liberty, at any time he chooses, to modify it. According to my understanding, he is content that the provisions of the joint resolution of the Senator from Oregon or that of the Senator from Idaho [Mr. BORAH], suspending section 18, may be put into effect, with the understanding, of course, that he may see fit to modify the section to which those joint resolutions refer.

Mr. McNARY. That brings up the point I desire briefly to develop. This Senate joint resolution, of course, requires cooperative action by the House.

Mr. ROBINSON of Arkansas. Certainly.

Mr. McNARY. And if adjournment should occur today, it is possible that action could not be had.

Mr. ROBINSON of Arkansas. Yes.

Mr. McNARY. If I thought the President would be satisfied to accept the expression of the judgment of the Senate. I would modify the joint resolution and make it a Senate resolution, relying upon his acting upon that.

Mr. ROBINSON of Arkansas. Mr. President, I have not discussed that matter with the President, and I should not feel warranted in seeking to bind the President further than that I feel at liberty to say that it is my opinion that the President does not object to suspending the order as to section 18, if that be urged by the Senator from Oregon and the Senator from Idaho.

Mr. McNARY. That is the understanding I obtained from the discussion of the Senator from Arkansas. I am not trying to place him in the attitude of speaking directly for the President; but if I believed the President would suspend the operation under section 18 until 60 days following the convening of Congress in January I should be willing to rely upon that as a sufficient record, or I should be willing and should be happy indeed to simplify the situation by making this a Senate resolution.

Mr. ROBINSON of Arkansas. I do not understand that a Senate resolution has any force or effect in such a matter.

Mr. McNARY. Not at all. I am not claiming for it anything other than that it is a mere expression of the Senate on the subject.

Mr. BORAH. Mr. President, I would not want this to be a Senate resolution, because, if the President is going to accept this, he will accept it as willingly in the form of a joint resolution passed by the Senate as he would in the form of a Senate resolution passed by the Senate.

Mr. ROBINSON of Arkansas. That is what I was about to remark when I was interrupted. I do not understand that there will be any difficulty about the matter; but I should not like to state that the President, upon the passage of a Senate resolution, would feel bound by the resolution.

Mr. McNARY. Mr. President, in view of that situation and the necessity of acting promptly by messaging this joint resolution to the House, I would rather not have any amendments offered to it.

Mr. ROBINSON of Arkansas. Very well.

Mr. REED. Mr. President, will the Senator permit an interruption? The Senator from Arkansas has called attention to that unfortunate part of section 2 which transfers all the national cemeteries to the Department of the Interior. The Senator from Arkansas is exactly right about that. Senators can imagine what preposterous confusion would result when they consider that no one is entitled to be buried in those cemeteries until the War Department has searched its records and found his military status, and when he is buried a military party of pallbearers and escort has to turn out for the funeral—and they average nine a day over here in Arlington—and then, when the headstone is put up the War Department has to prescribe what goes on it. The rank and service of the man, and all that, has to be put on it. Everything is done by the War Department, and it will have to continue to do it; and we shall get into the most terrible confusion if the Interior Department tries to administer it.

Mr. ROBINSON of Arkansas. I think I can say to the Senators who are primarily interested in this joint resolution that it is not my opinion that the incorporation in the joint resolution of "national cemeteries of the War Department which are located within the continental limits of the United States" will make the slightest difference with regard to the passage of the joint resolution in the body at the other end of the Capitol.

Mr. REED. I hope the Senator will accept that amendment.

Mr. McNARY. I am wholly in accord with the views expressed by my colleagues from Pennsylvania and from Arkansas, except that I do not want to complicate this proposition by adding too much luggage when we only have probably a day, and not more than 2 days, for action.

Mr. ROBINSON of Arkansas. I think the Senator is entirely right about it. If I thought any controversy would arise about the national cemeteries, I would not consent to their inclusion.

Mr. McNARY. Very well. I am willing to have that incorporated.

Mr. REED. The Senator says he is willing to accept it.

Mr. FLETCHER. I hope the Senator will.

Mr. ROBINSON of Arkansas. I suggest the following amendment to be inserted at the proper place in the joint resolution:

> Also, that portion of section 2 which relates to national cemeteries of the War Department which are located within the continental limits of the United States—

And so forth.

If the Senator from Texas wishes to offer an amendment, I suggest that he do so now.

Mr. CONNALLY. Mr. President, I have an amendment.

Mr. McNARY. May it be stated?

The PRESIDING OFFICER. Does the Chair understand that the Senator from Oregon accepts the amendments that have been proposed?

Mr. McNARY. I have accepted the amendment suggested by the Senator from Pennsylvania a moment ago, the language of which was stated by the Senator from Arkansas.

The PRESIDING OFFICER. The Chair assumes that the Senator has a right to modify his joint resolution.

Mr. McNARY. I accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment offered by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, at the proper place in the joint resolution, the following words:

> and that part of section 2 providing for the transfer of the Public Buildings Commission to the Department of the Interior.

The PRESIDING OFFICER. Does the Senator also accept that?

Mr. ROBINSON of Arkansas. It is my understanding that that is a legislative commission.

Mr. CONNALLY. That is right.

Mr. ROBINSON of Arkansas. I shall make no objection to the amendment.

Mr. McNARY. I accept that.

The PRESIDING OFFICER. Without objection, the amendments offered from the floor to the proposal of the Senator from Oregon will be considered as amendments to the original proposal; and, without objection, they are agreed to.

Mr. LA FOLLETTE. Mr. President, I merely wish to make an appeal to the Senator from Arkansas. I am so vitally interested in section 18 of the order that I wish to make a personal appeal to the Senator to do all that he can, consistently and properly, to assist in getting action upon this joint resolution in the House.

Mr. ROBINSON of Arkansas. Mr. President, I have an invariable rule; I never assume responsibility for action in the body at the other end of the Capitol, nor do I attempt

to influence action there. I think there are sound reasons for that policy. However, I can make this statement, that whether the resolution passes the House or not in my judgment is not likely to make very much difference.

Mr. LA FOLLETTE. That is very gratifying.

Mr. ROBINSON of Arkansas. I do not mean, of course, to cast any reflection on the House.

Mr. LA FOLLETTE. I understand.

Mr. ROBINSON of Arkansas. The statement might be misunderstood. What I mean is, that I have talked with the President about the matter, and he feels that if there is a sentiment in the Senate that section 18 ought to be suspended, I would be justified in consenting to it, in view of the conditions as to time under which the Executive order reached the Senate.

Mr. LA FOLLETTE. I understood perfectly that the Senator did not refer to the House, but referred to the President.

Mr. ROBINSON of Arkansas. I think the Executive likely will respond to the purpose of the resolution, whether it actually becomes effective or not.

Mr. LA FOLLETTE. It was because my understanding was that that was the import of the Senator's statement that I expressed my whole-hearted gratification that the Senator was in a position to make it.

Mr. President, I ask unanimous consent to have inserted in the RECORD sundry telegrams concerning the joint resolution.

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

MADISON, WIS., *June 11, 1933.*

ROBERT M. LA FOLLETTE,
Senate Office Building, Washington, D.C.:

Just received wire from Wright, "Executive order abolishes board and transfers functions to Interior, also provides for 25-percent reduction in all appropriations, including extension work and land-grant colleges." Result of cut in Federal aid will disintegrate work in Wisconsin. Abolishing board takes administrative from sympathetic control.

GEO. P. HAMBRECHT.

MILWAUKEE, WIS., *June 12, 1933*

Hon. ROBERT M. LA FOLLETTE,
United States Senate, Washington, D.C.:

President's Executive order, June 10, cutting vocational education appropriations 25 percent and transferring board strongly opposed by labor. Have matter put over to next Congress if possible.

JOHN KLATT,
Business Manager Sheet Metal Workers' Union.

APPLETON, WIS., *June 12, 1933.*

ROBERT M. LA FOLLETTE, Jr.,
United States Senate, Washington, D.C.:

Elimination of Federal Board for Vocational Education as recommended in Executive reorganization order will seriously wreck Wisconsin vocational program. Use your influence to delay this order until we have an opportunity to be heard. Perpetuation of our program is at stake.

H. G. NOYES.

MILWAUKEE, WIS., *June 12, 1933.*

Hon. ROBERT M. LA FOLLETTE,
United States Senate, Washington, D.C.:

Rehabilitation and vocational education work will be thoroughly disorganized by the proposed action under the President's Executive order of June 10, which transfers functions of Federal Board to Department of Interior and cuts appropriations 25 percent. Vocational education work is drop of oil applied directly on squeak in machinery. It is public work, self-liquidating, and of the kind the Government is trying to promote. Why wreck one successful piece of work when endeavoring hastily to construct another? This order should be laid over until the next Congress.

R. L. COOLEY,
Director of Vocational Education.

GREENBAY, WIS., *June 14, 1933.*

The Honorable ROBERT M. LA FOLLETTE,
Senate Chamber.

DEAR SIR: One thousand five hundred Wisconsin vocation educators protest most emphatically the Executive order abolishing the Federal Board for Vocational Education. Party opportunism and political and personal pinch hitting are exacting a heavy tribute from 100,000 youths and adults in Wisconsin vocational schools at the present time. The same fundamental principles and basic reasons which established the Federal Board for Vocational Education in its inception as an administrative unit in cooperative education obtain as peculiarly today as they did in 1917, save that the present social and economic distress of the working-learning groups augment and emphasize anew the permanency and full force of those principles. Vocational-education people everywhere—and I know that I am voicing not alone my own personal opinion and feeling in this matter—deprecate, resent, and denounce the above action of the President, and will hold the political leaders concerned to a full accounting of their duties and responsibilities to their constituents back home. This is no idle threat. The right of the working people to a free education is inviolate and will be preserved. As a representative of the Wisconsin Vocational Education Association, I ask you, therefore, in all seriousness and candor to uphold the present administration and set-up of the Federal Board without reservation or compromise.

Remaining, I am very sincerely yours,

L. H. WOCHOS,
President Wisconsin Vocational Association.

SHEBOYGAN, WIS., *June 14, 1933.*

Hon. ROBERT M. LA FOLLETTE,
United States Senate:

One hundred fifty veterans attending our local vocational school respectfully ask your support in keeping present status of Federal Board for Vocational Education. This school depends on Federal Board for guidance, and any change would disrupt our local situation.

EX-SERVICE MENS PROTECTIVE ASSOCIATION.
KENNETH CRANE, *President.*
VERNE PERRY, *Secretary.*

GREENBAY, WIS., *June 14, 1933.*

Senator LA FOLLETTE:

I urge you to oppose recommendation to abolish the Federal Board of Vocational Education. It will impair the future of students who cannot afford a college education, as well as adults.

F. J. TIMMERMAN.

MADISON, WIS., *June 12, 1933.*

Hon. FRANKLIN D. ROOSEVELT,
The White House, Washington, D.C.:

Your Executive order to abolish Federal Board for Vocational Education and transfer its functions to Interior Department, also reducing all Federal aids 25 percent will result in material disintegration of vocational and rehabilitation programs now set up in behalf of our working people, rural and urban, employed and unemployed. Abolishing Federal Board takes administration out from under sympathetic control. On behalf of the working people of America I sincerely hope you may see your way clear to rescind that part of your Executive order which in effect would deprive hundreds of thousands of our working people of educational and rehabilitation courses.

GEO. P. HAMBRECHT,
State Board of Vocational Education.

MILWAUKEE, WIS., *June 13, 1933.*

Senator ROBERT M. LA FOLLETTE, JR.:

Very much surprised to learn of the abolition of Federal Board for Vocational Education and cut of 25 percent in vocational funds. I cannot believe that this is the President's wish, but rather that of Mr. Douglas, who, as an enemy of vocational education, sees an opportunity to destroy education for working people. If ever the country would back a filibuster I believe it would now. Many destructive things are being done under the disguise of economy. The enemies of vocational education never sleep. If this order goes into effect, it is the death knell of vocational education as far as it being effective in the lives of working people.

J. E. TEPOORTEN,
Director Cudahy Vocational School.

GREENBAY, WIS., *June 13, 1933.*

Hon. ROBERT M. LA FOLLETTE, JR.,
United States Senator, Washington, D.C.:

I understand that President Roosevelt has recommended the abolishment of Federal Board for Vocational Education. I urge that you oppose this move, which will impair the future of the unemployed youth and adult.

M. J. KETTER,
General Superintendent, Hoberg Paper & Fibre Co.

Mr. COPELAND. Mr. President, I have received a large number of telegrams similar to the one which I ask to have printed in the RECORD, and I ask to have two of these communications inserted in the CONGRESSIONAL RECORD.

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

BROOKLYN, N.Y., *June 15, 1933.*

Hon. ROYAL S. COPELAND:

The faculty of the Brooklyn Industrial High School for Girls respectfully urges you to support measure to withdraw the President's Executive order of June 10 transferring functions of the

Federal Board to Department of Interior and reducing vocational and rehabilitation appropriations 25 percent until Congress has time to give due consideration to the proposal.

FACULTY.

DUNKIRK, N.Y., *June 15, 1933.*

Hon. ROYAL S. COPELAND:

Members these organizations urge your opposing President's order reducing vocational appropriations. Such action considered hasty at this time.

DUNKIRK CHAMBER OF COMMERCE.
DUNKIRK MERCHANTS EXCHANGE.

Mr. BORAH. Mr. President, I am not going to object to these amendments of the Senator from Arkansas and the Senator from Oregon, who are better informed as to the situation than I am, but I do not feel that the President had in mind anything except section 18.

Mr. ROBINSON of Arkansas. That is entirely true, if the Senator from Michigan will permit me to state just a word in his time. I have not discussed either of these amendments with the President, and it is upon my own responsibility entirely that I am assuming to consent to the amendments.

Mr. AUSTIN. Mr. President, I want to say a word about Senate bill 1930, introduced by me.

Mr. BORAH. The resolution has not yet been disposed of.

Mr. ROBINSON of Arkansas. Mr. President, may I suggest to the Senator from Vermont that the resolution of the Senator from Oregon has not yet been acted on.

Mr. McNARY. Mr. President, it is very appropriate that the Senator from Vermont should make his remarks now, as he has an amendment covering the same subject matter.

Mr. AUSTIN. Mr. President, I rise only to observe that I have introduced a bill relating to the same subject matter, but that in the present parliamentary situation I shall be content to go along with the pending joint resolution and support it, particularly in view of the remarks of the Senator from Arkansas.

I want to make just this observation, that though this joint resolution does not fully represent my views regarding the powers of the President, and the exercise of them under the authority which the Congress gave him, nevertheless I believe it expedient to go along with the Senator from Oregon and the Senator from Idaho in this matter and not raise any objection.

Mr. WHITE. Mr. President, I shall not undertake to offer an amendment to the proposal made by the Senator from Oregon. I cannot, however, permit this joint resolution to pass without indicating my grave doubt as to the wisdom of transferring in their entirety the functions and the responsibilities of the Shipping Board to the Department of Commerce.

The Shipping Board and the Emergency Fleet Corporation have a multitude of duties and responsibilties. There are many operative functions of both which I think might well be transferred to the Department of Commerce, but the Shipping Board is a regulatory body, having quasi-judicial functions. It has a wide range of authority over water rates in both interstate and foreign commerce. It has jurisdiction, and it acts, when it exercises that jurisdiction, in a judicial capacity, over rates, rebates, discriminations, preferences and practices of water carriers and all manner of questions of that sort. It is utterly inconceivable to me that those authorities can properly be transferred to and be exercised by an official of the Department of Commerce.

I have grave fear that whatever of value there is in the present law with respect to the regulation and control of rates and practices of steamship companies in both our interstate and in our foreign commerce will be lost by this wholesale transfer. I fear we shall, by this transfer, render ineffective a large body of law designed to control water carriers and to protect shippers. I want this expression of my views to be of record.

Mr. CAPPER. Mr. President, I am deeply interested in having favorable action on the joint resolution of the Senator from Oregon. I think it is of the highest importance that this Executive order, insofar as section 18 is concerned, should be suspended.

I find the educational authorities of Kansas gravely disturbed over the order. I ask permission to have printed in the RECORD a telegram I have received from F. D. Farrell, president of the Kansas State College, in which he says that this order would seriously impair the ability of colleges to help in national agricultural readjustment.

There is a similar telegram from President W. A. Brandenburg, of the Kansas College, at Pittsburg; also a letter from Dr. R. A. Pearson, chairman of the executive committee of the Association of Land-Grant Colleges and Universities, and another from Mr. C. M. Miller, director of the State Board for Vocational Education of the State of Kansas. I ask that all these communications be printed in the RECORD.

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

TOPEKA, KANS., *June 13, 1933.*

Senator ARTHUR CAPPER:

Hope you will support action to reject or postpone President's proposal to reduce Federal appropriations to land-grant colleges. Proposed reductions, now that States have made drastic cuts, would seriously impair ability of colleges to help in national agricultural readjustment.

F. D. FARRELL.

PITTSBURG, KANS., *June 14, 1933.*

Senator ARTHUR CAPPER,
Washington, D.C.:

Executive order abolishing Federal board and reducing Federal aids to vocational education and all land-grant college activities disastrous to educational program in Kansas beyond description. Concerted movement on all forces to induce President to withdraw his eleventh-hour and unexpected order. If effort not successful, hope Executive order is either defeated or legislative action preventing confirming. Kansas needs your help in this matter.

W. A. BRANDENBURG, *President.*

ASSOCIATION OF LAND-GRANT COLLEGES AND UNIVERSITIES,
June 13, 1933.

Hon. ARTHUR CAPPER,
United States Senate, Washington, D.C.

DEAR SENATOR CAPPER: Referring to our conversation regarding the section in the President's reorganization order which relates to Federal appropriations to land-grant institutions:

The proposed reduction of 25 percent in these appropriations will save the Government approximately $4,000,000. Support of one of the most effective agencies of relief in these trying times will be reduced by that amount, when enormous sums of money, running high in the millions, are being provided for new activities, most of them temporary, to combat the wide-spread effects of the depression. It is proper to raise the question as to whether the sum of $4,000,000, or two or three times that amount, expended on a new and more or less experimental activity will produce as much relief to deserving citizens of this country as would be provided by the money that is now to be cut off.

The land-grant institutions—one in each State—are a going concern. They have been performing in a highly successful way for a long time the duties called for by both Federal and State laws. The benefits of their work are always greatest in times of national economic stress. It was so during the World War. It has been the same during the past 10 or 12 years when agriculture has been suffering continuously. Without the assistance given by these institutions the agricultural situation today would be far more deplorable than it is. The people who are in charge of the land-grant institutions know intimately agriculture throughout the entire country. To cut off about 25 percent of the effectiveness of this organization seems like a fanciful type of saving. The crippling of the work will affect many farmers and, in turn, many other occupations and the national welfare.

President Roosevelt himself said only a few months ago in reference to the work of the land-grant institutions, "I think it would be nothing short of a disaster if any of this work were seriously curtailed. Particularly in these times when farmers are having such a desperate struggle to maintain themselves I think it supremely important that they should have the benefit of the expert advice that colleges, experiment stations, and extension services are able to give them, and it is equally important that we should continue to hold out to their children opportunities for an education that will make them something more than field drudges."

As a thorough believer in agricultural education and in agricultural research and extension work, the President made this unqualified statement. At the same time he approved equally the "lesser schools of agriculture", such as are being conducted under the Federal Board for Vocational Education.

We believe the President expressed not only his own best judgment but the best judgment of the great majority of intelligent people. We do not think he has changed his mind, but it is difficult to reconcile his emphatic preelection statement with the action now indicated, unless it is that he has been wrongly advised. For the sake of the millions of people who are depending

on land-grant institutions for advice and help, we hope the President's order will be held in abeyance, so that our work will not have to be severely curtailed at this critical time.

Very truly yours,

R. A. PEARSON,
Chairman Executive Committee.

STATE BOARD FOR VOCATIONAL EDUCATION,
Topeka, Kans., June 13, 1933.

Senator ARTHUR CAPPER,
United States Senate, Washington, D.C.

DEAR SENATOR CAPPER: You will have received my wire protesting against the Executive order which transfers the functions of the Federal Board for Vocational Education to the Department of the Interior and reduces appropriations for vocational education.

If I had asked it of the people interested in vocational education, several thousand telegrams would have reached you by this time protesting against this order, for Congress has had no opportunity to give consideration to the proposal and cannot know the far-reaching effect of the order.

To transfer the functions of the Federal Board for Vocational Education to the Department of the Interior cannot but seriously interrupt the work that is being done by that Board. Those engaged in vocational education for the past 15 years are thoroughly committed to the principle of a Federal Board for Vocational Education on which the major industries of the country have representation, for vocational education under a representative board is kept flexible so as to meet the needs of workers in these industries.

It has been the universal experience that where vocational education is administered by the academically minded traditional type of school administrator, it has become stereotyped and inflexible. The educational needs of the workingman are lost sight of. Kansans who are familiar with the vocational-education program are unanimous in urging that you help preserve a Federal Board for Vocational Education on which the major industries of the country are represented.

Education has a large part in any program of emergency relief. In many States, including Kansas, the State board for vocational education has assisted in relief programs to the limit of available funds. They stand willing to do so now. To withdraw funds from this program which is organized so flexibly as to render really worth-while educational service to unemployed as well as to employed groups, and at the same time to appropriate millions of dollars for use in heretofore untried emergency-relief work is not economy. It is extravagance of the worst sort. There can be no justification for it.

You will be rendering education in Kansas a real service if you oppose the Executive order referred to above at least until Congress has had opportunity to give the matter careful consideration.

Sincerely yours,

C. M. MILLER, *Director.*

Mr. POPE. Mr. President, we are very much interested in Idaho, and in the West generally, in the joint resolution which has been under consideration. I should like to have inserted in the RECORD a telegram from the Governor of Idaho in regard to this matter, as well as a telegram from the president of our State university, giving in some detail an analysis of the situation in that State and a statement of the effect of the Executive order.

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

BOISE, IDAHO, *June 14, 1933.*

Hon. JAMES P. POPE,
United States Senate, Washington, D.C.:

President Roosevelt's order of June 10 places Federal Board for Vocational Education in Department of Interior and cuts appropriation for vocational education and rehabilitation 25 percent will seriously cripple vocational work in Idaho. That part of the order affecting vocational education and rehabilitation should be eliminated.

C. BEN ROSS, *Governor.*

MOSCOW, IDAHO, *June 13, 1933.*

Senator J. P. POPE,
United States Senate, Washington, D.C.:

Have just received word that Executive order has come from President reducing Federal appropriation for teaching research and experimentation in land-grant colleges 25 percent. Feel that I would not be doing my duty as president of University of Idaho if I did not protest against this reduction as being excessive and therefore unjust. I hope that this Executive order will either be disapproved or negatively received by the Senate.

Regards,

M. G. NEALE,
President University of Idaho.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution as amended.

The joint resolution as amended was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That notwithstanding the provisions of title IV of part II of the Legislative Appropriation Act, fiscal year 1933, as amended, the provisions of section 18, the portion of section 2 which relates to national cemeteries of the War Department which are located within the continental limits of the United States, and that part of section 2 providing for the transfer of the Public Buildings Commission to the Department of the Interior, of the Executive order providing for certain regroupings, consolidations, transfer, and abolitions of executive agencies and functions thereof, transmitted to the Congress on June 10, 1933, and printed in House Document No. 69, Seventy-third Congress, first session, shall be, and the same are hereby, suspended until the convening of the next session of the Congress and for 60 days thereafter.

The title was amended so as to read: "Joint resolution temporarily suspending section 18 and portions of section 2 of the Executive order of June 10, 1933, relating to the organization of executive agencies."

Mr. REED. Mr. President, I thought it would be unfair to the Senator from Oregon to offer any more amendments to his joint resolution; it might have jeopardized its chances of passage. But I hope before leaving Washington to be able to make an appeal to the President to consider again his action in taking all of the military procurement from the Army and Navy Departments and putting it in the Treasury Department.

As we all learned to our cost in the last war, the purchasing authorities of the Army cannot be too closely tied to the combatant part of the Army. In military purchases the important thing is promptness and readiness to serve the combatant branch. Economy, while always important, is secondary to the efficiency of the purchasing department in other respects.

It would make for great disorganization to endeavor to conduct a war with the Treasury doing all the purchasing for the Army and the Navy. In case of war, those purchasing powers would have to be put back into the military departments.

If this Executive order went into effect in its present form, it would mean that when war came and the transfer back to the military departments was made, there would be no trained personnel there to assume this function again. From the military standpoint, with which the President is himself so experienced, and on which he is, I believe, entirely sound, I think he himself will see that the transfer from those two departments is unwise.

Then, too, in another respect the order does some very striking injustices. Section 8 of the order consolidates the Bureau of Internal Revenue with the Bureau of Industrial Alcohol. That of itself does not sound very important, but when we turn to section 21, under "Definitions", we find that the term "abolished agency" means any agency which is abolished, transferred, or consolidated. Consequently, the Bureau of Internal Revenue is an abolished agency. Then, if we go back to section 19, we find that "all personnel employed in connection with the work of an abolished agency"—which includes the Bureau of Internal Revenue—"shall be separated from the service of the United States, except that the head" of the agency, subject to the President's approval, may, within 4 months, reappoint any personnel.

The result of that is that this Executive order dismisses from the Government service all of the 12,000 employees now in the Bureau of Internal Revenue, 3,500 of them in Washington and 8,500 in the field. How it can make for good government or for economy or for efficiency to fire the entire personnel of the Bureau of Internal Revenue is beyond my comprehension. I doubt whether the President, in signing the order, realized that it would have that effect.

I hope the Senator from Arkansas and others who are close to the President may, if they see fit, call the attention of the President to those two matters.

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

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Arkansas. As I understand it, the Senator from Pennsylvania does not offer any amendment.

Mr. REED. No; I am not offering any amendment.

Mr. ROBINSON of Arkansas. I shall not attempt to discuss this subject or to reply to what has been said by the Senator from Pennsylvania in the time of the Senator from Michigan. The points raised by the Senator from Pennsylvania relate to some of the largest and most important provisions in the Executive order. Of course, there is no objection to the Senator presenting the matter to the Executive himself, who will, I have no doubt, make such further study of the matter as he might find necessary.

Mr. REED. The Senator will understand that I am making these suggestions most respectfully and not in the way of criticism. I am not attacking the order; I am merely pointing out these things.

Mr. ROBINSON of Arkansas. I understand that, but I do not understand that the last feature of the order to which the Senator has referred has altogether the effect the Senator from Pennsylvania has attributed to it; but I will not trespass further on the time of the Senator from Michigan.

Mr. JOHNSON. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from California?

Mr. VANDENBERG. I yield.

Mr. JOHNSON. I merely want to express my gratification at the passage of the joint resolution. The four items embraced in section 18 were extremely important items from the standpoint of the West. They were items, generally speaking, in which the State matched funds with the National Government in one particular undoubtedly, and in the others, I think, as well. The reduction at the moment would have been very unfortunate, indeed. When I read the order casually when first presented, I thought that was the fact. Subsequently the figures were furnished me indicating it quite clearly. So the joint resolution which has been presented, introduced by the Senator from Oregon [Mr. McNary] and assented to by the Senator from Arkansas [Mr. Robinson], is very important from the standpoint of the West; and, indeed, it is most gratifying that it should have been passed.

I had one letter as well concerning the cemeteries of the War Department, but upon that I do not desire to dwell. There are other matters in the Presidential order which, I think, as has been suggested, may be taken up with the Executive, and as he reserves the power at the end of the order I have no doubt that upon representations to him which will be of a persuasive or convincing character he will act as he might deem appropriate and will do what shall be just, because the latter part of the order, if Senators will recall, reads:

Provided, That in case it shall appear to the President that the interests of economy require that any transfer, consolidation, or elimination be delayed beyond the date this order becomes effective, he may, in his discretion, fix a later date therefor, and he may for like cause further defer such date from time to time.

I have no doubt there are various activities that are included in this order which ought to be presented to him which the limits of time and the multiplicity of his duties, and ours as well I might say, have precluded us from presenting in the formal manner in which this joint resolution presents the items embraced by it. I simply rose to express my gratification, as I suggested, that the joint resolution regarding section 18 had been passed.

RETIREMENT OF SENATOR STEPHENS FROM SPECIAL COMMITTEE INVESTIGATING HARRIMAN NATIONAL BANK

Mr. STEPHENS. Mr. President, I desire to occupy only a moment to make a very brief statement.

Some time ago the Senate adopted a resolution submitted by the Senator from Colorado [Mr. Costigan] providing for an investigation of the Department of Justice in the matter of its activities in reference to the Harriman Bank of New York City. The chairman of the committee [Mr. Ashurst] appointed me chairman of the subcommittee. Several hearings were held, and it was found necessary to go to New York City to complete the investigation. Due to the fact that we were so much engaged here, no member of the subcommittee desired to leave during the session, so that the hearings have not been concluded. The investigations will be carried on. For personal reasons I am very anxious to go to my own State. I could waive those reasons, and would do so, but I have a very substantial reason for the action I have taken.

Under a resolution offered by the Senator from New York [Mr. Wagner] a special select committee was appointed to investigate labor conditions in the Mississippi River flood-control projects. I am a member of that subcommittee. The chairman informed me a few days ago that as soon as Congress adjourned he desired to begin that work. Of course, I am very anxious to attend the hearings of that particular committee. Learning this, I went to the Chairman of the Judiciary Committee [Mr. Ashurst] and asked him to take my place as Chairman of the Harriman Bank Investigating Committee and conclude its work. He has very kindly agreed to do so. I simply want to make this explanation so that my reason for resigning from the first committee mentioned may be known.

After the conclusion of Mr. Vandenberg's speech,

APPOINTMENT OF GOVERNOR OF HAWAII

The Senate resumed the consideration of the bill (H.R. 5767) to authorize the appointment of the Governor of Hawaii without regard to his being a citizen or resident of Hawaii.

Mr. TYDINGS. Mr. President, the Senator from Michigan [Mr. Vandenberg], with his usual thoroughness, has covered his side of this controversy in a most comprehensive way. Indeed, as I listened to his address I was reminded of an incident which occurred to me during the World War.

One dark night, while I was a considerable distance from the front, a soldier rushed by me headlong. I yelled at him to stop. He stopped and came back to where I was standing, and said, "Did you say 'Stop'?" Then I saw that he was a colored soldier. I said, "Yes." There had been some shooting going on up at the front, and he was facing in a direction opposite to that from which the explosions were coming at the time I accosted him. I said, "Yes; I said 'Stop.' Do you realize that you went by me without saluting?" He said, "Who are you?" I said, "I am an American officer." He said, "Great Lord! Have I run back that far?" [Laughter.]

The Senator from Michigan started at alpha and called every letter in the alphabet until omega was reached, working in symphonies from the Declaration of Independence and various other extracts which were extraneous to this matter. I know the Senator from Michigan well enough to know, and he knows himself well enough to know, that with the critical condition in the Pacific Ocean, with the critical condition in China, even though the citizen of the Hawaiian Islands and American citizen, forsooth—and I say this with no reflection upon the race—happened to be a Japanese preeminently qualified, he would under no circumstances endorse that man for Governor of the Hawaiian Islands; and when you concede that, where has your local self-government philosophy gone?

Local self-government is all-encompassing. The minute you cut the perimeter, all the inside of it escapes to the outside.

The Hawaiian Islands present the most complex race problem on the face of the earth. I say with pride and pleasure that up to very recently the antagonisms which might have existed have been absent, and there has been a degree of stability in government and amity and tolerance among the various people who compose its racial derivations which is noteworthy and which might be emulated even in the United States.

What are those racial divisions? The largest division is that of the Japanese, who have a population of 143,754. They are all excluded. The Senator from Michigan will not stand on this floor and say that he would advocate the appointment of a Japanese resident citizen of the United States as the Governor of the Hawaiian Islands. If he will advo-

cate such a thing, I will give him a chance to do so now, for fear I have misconstrued his thought.

The third largest division is that of the Chinese, who have 27,313. The Japanese and the Chinese together make up nearly one half of the total population of the Hawaiian Islands. The rest of the population is scattered through the following: Asiatic Hawaiian, Portuguese, Puerto Rican, Korean, Filipino, and a very few of the Caucasian race. Those races make up the population. So that local self-government, boiled down, comes down to one thing only. The philosophy of those men on the other side of the aisle, almost to a unit, in selecting and applying the principle of local self-government, consists in the selection of one of the 18,000 either pure blood or almost wholly pure-blood Caucasians who inhabit those islands. Where is local self-government gone when only one tenth of the population of the Hawaiian Islands can ever hope to have a governor selected from their group? It is a fetish; it does not exist; it is made out of thin air, and will not stand up even before the tilting of Don Quixote. It is a windmill. There is no basis for local self-government in it. Standing out there, as those islands do, many thousand miles from the western coast of this country, fortified, as they are, as a naval base, with conditions of unrest in Asia, if for no other reason at all the 122,000,000 people who live in the United States are entitled to some consideration in the handling of this important problem. That is the listening post, the outpost, the military and naval center of any future drama, or romance, or tragedy, which might be written upon the blue waters of the Pacific.

When our President asks us, forsooth, in this important place, to give him a free hand, to get the very best governor he can find in this country to fit into the ramified conditions of that particular post, who is going to say him nay if we really revere our own country, and look for the protection of its future and the integrity of its people?

Mr. President, there is not a man in this Chamber, not one, who would stand upon this floor and say, "If there is a Japanese resident citizen of the United States in the Hawaiian Islands who permanently should wear the mantle of governor, I think he should be the governor." If there is such a man here, let him stand up now and declare himself. I do not hear any voice lifted. I do not see any Senators rising. If 40 percent of the resident citizens of the United States are excluded from this honor, where is the local self-government?

Some day we may have need to weigh well conditions surrounding the Hawaiian Islands, which, thank heaven, in this hour we do not seem to want to weigh very deeply. What objection can there be? The people of the Hawaiian Islands do not elect their governor. If they elected their governor, that would be one thing; but they have no more voice over the election of their governor than the Senator from Michigan has over the election of the Governor of Maryland. He is appointed, and what appointed official ever came under the mantle of local self-government? Local self-government means the right to govern yourself, and any people who have their governor appointed for them have not even color of title to local self-government.

Does the Senator want to let them elect their governor? Will he support a measure which would convey to the people of the Hawaiian Islands the right to elect their governor from one of their own? I would be interested in hearing the answer to that question, because then we would know that the combination of the Japanese and Chinese in the islands could select the governor, and would the Senator be satisfied to carry his beautiful philosophy to that point? Of course he would not. Brought to the test, he would say, "No; I do not think the conditions and the influences and circumstances which surround the Hawaiian Islands warrant as wide a departure from experience and history at this time." That may be off in the future, a century or a half a century or a decade or two decades, but no man here on this floor will advocate that the Governor of the Hawaiian Islands shall be selected and elected by the people of the Hawaiian Islands. There is not a man here who will rise and defend that. Where is the local self-government in the face of these observations?

I do not hear anybody advocating that. I have not seen any bills offered to accomplish that result. I do not know of any party which has gone on record as advocating that result. I know why those provisions are written into the Democratic and the Republican platforms just as well as the Senator does. The politicians write them in the platforms so that they can get the gravy at home. That is the way we pay them off for coming to the conventions. That is the way both parties pay them off, by giving them a little soothing sirup, to take back home a little patronage, so that they may name the governor from one of the ruling groups in the islands, who, in turn, will dispense whatever patronage there is without too wide a regard, in cases, for the welfare of the islanders themselves.

I had not intended to go into this matter, but this is interesting. An examination, from a source I will not disclose, but connected with the Government; not a recent one, but an authoritative investigation, nevertheless, shows that practically the entire economic life of the Hawaiian Islands is in the hands of five families. It is hard to find a citizen in those islands who has resided there for any length of time who is not the attorney for or directly or indirectly supported through the ramifications of these various industries there. That is all right. I am not saying that is a crime. No doubt these men were simply good business men, and as their affairs grew and their riches increased, they expanded their activities. But, be that as it may, it does not make any difference whether the Democrats are in control or the Republicans are in control, a small, organized group and clique are going to run the affairs of the islands.

Every commentator upon affairs in those islands mentions that fact. There are about five large families who control the sugar and the pineapple business and the fertilizer business of the islands.

What does the election of a resident Governor mean under those circumstances? It means the perpetration of a very small oligarchy in control of the entire economic life of those islands; and if economic influences are not more wide-spread than political influences and not closer and more intimate to the life of the people, then I should like to know what is closer and more intimately entwined with their welfare. If that is so, I submit that generally any Governor who is a resident and citizen of the Hawaiian Islands is likely to be so enmeshed in the interests and backgrounds of the ruling clique in those islands that he could not render a fair and impartial administration of affairs as Governor. He could not move without running into some economic influence with which he has had contact in a favorable way in the past. I am only telling the truth; that is all. I could read here the names of the corporations and the names of the stockholders, and show that four or five families control all of the basic operations in the Hawaiian Islands. When there is an oligarchy of that kind who names the Governor, where does any fine-spun philosophy of local government lead us?

Mr. NORRIS. Mr. President, I think the statement made by the Senator, undoubtedly true, is a very startling reminder that the same condition exists in the United States.

Mr. TYDINGS. Exactly.

Mr. NORRIS. There are four or five large financial institutions which in one way or another control practically every activity in the United States.

Mr. TYDINGS. There is no question about that; and think of the hypocrisy of a political party denouncing that kind of control in our own country and voting to perpetuate it in another.

Mr. NORRIS. Mr. President, it seems to me, as I look at it, that the argument made by the Senator, while a very imposing and impressive one, is not an argument in favor of this bill. What good does it do if people get out of the clutches of four or five corporations there and get into the clutches of one or two corporations here?

Mr. TYDINGS. The Senator is right, if that happens; but I am hopeful that the President will take one who will not

be within the clutches of either group—who will be in a position when he goes to the Hawaiian Islands to render equal and exact justice to all the elements concerned.

Mr. KING. Mr. President, the Senator is postulating his argument now upon a statement which, with all due respect to him, I do not regard as accurate. I have made a great deal of investigation regarding the Hawaiian Islands. I know them well. My father lived there 12 years, and my information is that more than 52 percent of the stock of the companies to which the Senator refers is owned by people in the United States.

Mr. TYDINGS. Mr. President, if the Hawaiians were a homogeneous people, or even if they were not a homogeneous people, if there were only a few racial divisions; and if, notwithstanding those many racial divisions, such a degree of tolerance, such a degree of civilization, such a degree of humanity, such a degree of understanding obtained that citizens were elected or appointed to office without any division as to race or creed or color or what not, that would be one thing. But, as I have already pointed out, nearly half of the people of the Hawaiian Islands are of the Chinese or Japanese race, and nobody here contends that in this beautiful scheme of local self-government those people should receive the same consideration in the appointment of a governor that is accorded to one of Caucasian blood.

If that be the case, and if history shows that all of the economic life of the islands is held in the hands of four or five people, and that they have the power almost of life or death over the islands, and that they have selected practically all of the Governors heretofore selected in the islands, where does this beautiful theory about violating the rights of mankind come in at all? It is just simply nonexistent. It is a mirage, it is delusive, it leads us on in the promise of cool water when we are treading the desert under the sun, and when we get to what we think is the water all we find is that the beautiful mirage was but cactus reflected in the sky. That is all there is to this.

What is the practical situation? The President of the United States asks what? He sends a message to the Congress saying, "Because of peculiar conditions existing in the Hawaiian Islands at this time I should like to have my hands untied, to be free to select as Governor of the Hawaiian Islands the best man I can find, either in the islands themselves or upon the mainland." That is all he asks. The people of the Hawaiian Islands do not have the right to select their Governor now; he is appointed. No right is being taken away from them at all. They have no more voice in the selection of the Governor than I have in the selection of the Archbishop of Canterbury; not a bit. So let us get back to the practical, cold, common-sense, hard facts in this equation. Are we going to deny the Chief Executive the right to select from the largest field available the best man he can find to fit into this particular equation, on the one hand, or, on the other hand, with all these racial derivations, with all the likelihood of racial antipathy, with economic control in the hands of a few, are we going to compel him to make his selection solely from among those who are residents and citizens of the Hawaiian Islands? Lo and behold, even that selection carries only a 3-year residence.

It is assumed, from the eloquence of the Senator from Michigan, that the man who is going to be selected from the Hawaiian Islands was conceived there, was born there, educated there, and, praise God, will die there. As a matter of fact, under the law as it now exists he only has to be there 3 years; and so, if 3 years ago there was a prophet in the United States who foresaw the Democratic victory and wanted to become Governor of Hawaii, all he had to do was to go out to the islands at that time and he would now be just as eligible for appointment to the governorship of the Hawaiian Islands as would be a man who was 65 years old and who had spent every day of his life there.

I ask that we give the President the authority which, after viewing the situation from all its angles and ramifications and taking into consideration all the conditions which exist in the islands, he has requested, namely, that he be permitted the right to select as Governor of the islands the very best man he can find either in this country or there to discharge the very exacting duties of Governor of those lovely islands.

AMENDMENT OF SECURITIES ACT

Mr. FLETCHER. Mr. President, we have passed the Securities Act, which everybody concedes to be a very valuable piece of legislation, but the draftsmen apparently omitted one or two phrases which ought to be in the act, and which escaped the attention of the conferees. I am going to ask unanimous consent to introduce a bill which will correct that error, so as to have the law apply to the District of Columbia. As at present framed it does not seem to do so.

Mr. LA FOLLETTE. Mr. President, is the Senator from Florida asking unanimous consent for the present consideration of the bill to which he refers?

Mr. FLETCHER. Yes.

Mr. LA FOLLETTE. Mr. President, without any prejudice against the Senator's bill, I shall be constrained to object to his request, because I am unalterably opposed to the unfinished business. If the Senator wants to introduce his bill, and have it considered, I shall be very glad to support a motion to proceed to its consideration.

Mr. FLETCHER. I do not want to ask that. I could not have the nerve to ask that the unfinished business be laid aside in order to take up something else, except by unanimous consent. The error to which I refer simply means that the law does not apply to the District of Columbia, when everybody intended that it should.

Mr. LA FOLLETTE. I think it is very important that the Senator's bill should be passed, and I hope he will move to proceed to its consideration, because the omission of the language to which he refers, applying to the District of Columbia, would leave a very great gap in the Securities Act. So I trust the Senator, impressed with the importance of remedying this mistake, will move to proceed to the consideration of the bill which he has asked unanimous consent to introduce, and I shall be very glad to support his motion with whatever feeble efforts I can offer in that direction.

Mr. TYDINGS. If the Senator from Florida will yield to me, I desire to say that I think the Senator from Wisconsin "doth protest too much." [Laughter.]

Mr. FLETCHER. I think I see what the Senator from Wisconsin desires, and I cannot prefer my request in the shape he suggests. I want, however, to correct the broad statement that the Securities Act does not apply to the District of Columbia. It does apply to the District of Columbia except in paragraph 2 of section 3, where the words "District of Columbia" were omitted by oversight. Of course, I should like to have that correction made. I am told that if the Senate would pass the bill which I desire to introduce, and make the correction, it could be made in the House now; but if it cannot be done, it cannot be done; that is all. However, I ask unanimous consent that I may introduce the bill.

There being no objection, the bill (S. 1955) to exempt securities issued by banking institutions organized under the laws of the District of Columbia from the application of the Securities Act of 1933, was introduced and referred to the Committee on Banking and Currency.

APPOINTMENT OF GOVERNOR OF HAWAII

The Senate resumed the consideration of the bill (H.R. 5767) to authorize the appointment of the Governor of Hawaii without regard to his being a citizen or resident of Hawaii.

Mr. LA FOLLETTE. 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	Barbour	Brown	Caraway
Ashurst	Barkley	Bulkley	Carey
Austin	Black	Bulow	Clark
Bachman	Bone	Byrd	Connally
Bailey	Borah	Byrnes	Copeland
Bankhead	Bratton	Capper	Costigan

Cutting	Hayden	Metcalf	Steiwer
Dale	Hebert	Murphy	Stephens
Davis	Johnson	Neely	Thomas, Okla.
Dickinson	Kean	Norris	Thomas, Utah
Dieterich	Kendrick	Nye	Thompson
Dill	King	Overton	Townsend
Duffy	La Follette	Pope	Trammell
Erickson	Lewis	Reed	Tydings
Fletcher	Logan	Reynolds	Vandenberg
Frazier	Lonergan	Robinson, Ark.	Van Nuys
Glass	Long	Robinson, Ind.	Wagner
Goldsborough	McAdoo	Russell	Walcott
Gore	McCarran	Schall	Walsh
Hale	McGill	Sheppard	Wheeler
Harrison	McKellar	Shipstead	White
Hatfield	McNary	Smith	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. BORAH. Mr. President, sometime ago an unfortunate occurrence took place in Hawaii, and, as a result of conditions arising out of that occurrence, it seems that this bill has been brought forward for our consideration in the hope that the people of Hawaii may be better served by selecting a Governor outside the islands of Hawaii. As I said a few moments ago, it seems to me that this bill must be regarded as an indictment of the people of Hawaii, as a judgment to the effect that they are not capable of local self-government even to the extent which they now enjoy. From the record which I have examined and the reports which have been made with reference to conditions in Hawaii, I do not feel that we ought to take from the people of those islands the right to have one who is a resident of the islands appointed as Governor. It may not seem to us to be a very serious matter, but we know it has come to be considered a most serious matter by the people of Hawaii. They regard it, as I have said, as a condemnation, as a passing of judgment upon them, and adjudging them incapable of furnishing a Governor from the islands.

Especially, Mr. President, do I think that no sufficient opportunity has been afforded to the Senate to be advised as to the conditions which seem in the minds of some to justify this proposed legislation. There has been no hearing before any committee; as I understand, there has been no report; as I further understand, there is no agreement upon the part of the committee itself; and it is a too serious matter, so far as the people of Hawaii are concerned, to be disposed of in any summary way. Infinitely better would it be that they be afforded an opportunity to supply the President with the name of someone living in the islands suitable and possessing the requisite qualifications than that by the enactment of this bill we should deprive them entirely of the opportunity to do so.

Such things as happened in Hawaii happen in every community, and especially in communities made up as is the Hawaiian community. They can never enjoy self-government unless they purchase it through their actual experience. There is no such thing as self-government except it be acquired through experience, ofttimes bitter experience. In other words, as a great Democrat once said, the right of self-government implies the right to do unwise things as well as wise things. People will fail and make mistakes, and from those mistakes will spring a wisdom which is invaluable to them in the development of their capacity for self-government.

It would have been a most unfortunate thing indeed for the Colonies of the United States had they been judged as to their capacity for self-government by what occurred between the time the treaty of independence was signed and the time of the adoption of the Constitution of the United States. There is scarcely a period in the history of the development of any people so chaotic, so condemnatory, of what seemed a capacity for self-government as the period from 1783 to 1789. Had it been within the power of some superior agency, such as here found, to have withdrawn the right of local self-government, it would undoubtedly have been done. And yet, out of the fearful experience from 1783 to 1789 really came the Constitution of the United States. Without that experience, without those years of teaching, there is little doubt that the Constitution of the United States would not have been framed and could not have been adopted.

The people of Hawaii have had their experience, as most all people have, and the mere fact that a situation was created there a few months ago such as seems almost incredible in some respects, is, in my judgment, no reason whatever for taking away from them the right to furnish a Governor from their own islands. It has aroused them to greater effort in government.

The Delegate from Hawaii, speaking upon this subject in the House a few days ago, said:

> I am forced to believe that the President has been misinformed regarding conditions in Hawaii, for on no other assumption can I understand his request. Certain it is that the people of Hawaii do not favor such a move, for on Monday there was read into the RECORD of the Senate, and appears on page 3875 of the RECORD of May 22, a concurrent resolution passed by the Territorial legislature vigorously opposing any change in the residence qualifications of Hawaii's Governor.

Mr. President, I have had a letter from a gentleman long a resident of Hawaii. I do not feel free to put it in the RECORD because there are many things in it which I take it he would not desire to have printed, but he takes the view as expressed by the Delegate that the people of Hawaii by a vast majority are opposed to the measure now before us. That fact ought to be taken into consideration. The sentiment, the feeling, the convictions of the people of Hawaii are that they are being deprived of something which is justly theirs as a free people, which has been guaranteed to them by the organic law of the islands, which they have long enjoyed, now to be taken from them after years of experience. This they regard as in every sense a judgment of incapacity and of condemnation.

For that reason alone we ought to hesitate to pass this measure because after all the success of any Governor, it makes no difference from whence he comes, the success of government in Hawaii must depend upon the contentment, the happiness of the people of Hawaii and their faith in the Government of the United States. We ought not to take a chance in spreading among the people of Hawaii dissatisfaction and a want of confidence which an act of this kind will inevitably bring.

Mr. President, I have no intention of doing other than to express briefly my opposition to the measure. I should not have said anything at all had I not received this letter from one long a resident of the islands. I feel that I am expressing the wishes of a great majority of the people of the islands. I sincerely hope this measure may not pass.

Mr. LA FOLLETTE. Mr. President, as I stated the other day when the Senator from Maryland [Mr. TYDINGS], in charge of the joint resolution, attempted to call it up for consideration, I have never had the privilege of visiting the Hawaiian Islands. Therefore I must confess at the outset that I do not have the advantage of first-hand information, nor am I able to testify, as did the Senator from Michigan [Mr. VANDENBERG] as to the actual conditions there to be found. I think, however, it is fair to say that this legislation has not had the proper and careful consideration which a measure affecting so directly the interests of the people of the Territory of Hawaii should have had prior to its presentation for passage in this body.

Some Senators may remember, and I am sure the members of the Committee on Territories and Insular Affairs will certainly remember, that at the short session of Congress several important bills affecting the Hawaiian Islands were introduced and referred to the committee. The introduction of those bills created apprehension among the people of Hawaii that the measures would be given consideration at the short session of Congress. The then chairman of the committee, the former Senator from Connecticut, Mr. Bingham, finally announced that the measures would not be taken up for consideration by the Senate committee during the short session. As a result of that official statement, citizens of the islands who had intended to appoint a commission to come to Washington to testify concerning those measures and to present the case of the people of

Hawaii decided to abandon their trip because of the expense involved.

As has been so well stated by the Senator from Idaho [Mr. BORAH], Senators should bear in mind the significance which the people of Hawaii attach to this particular piece of legislation. As the result of an unfortunate crime, a terrible crime which occurred in the islands, the people there believe that on the mainland of the United States a false impression has been created concerning them and their ability for self-government. It was, in my judgment, largely because of that feeling that they had determined to send a commission here to present, from their point of view, the situation insofar as their government and insofar as crime, its detection, prevention, and punishment were concerned. They believed that they could present a case on behalf of themselves and their fellow citizens which would eradicate from the minds of legislators the prejudice which they feared had been created as the result of this crime.

To pass this joint resolution now without giving those people a hearing I can only characterize as a piece of lynch law. It is contrary to every concept of fairness and equitable treatment which should govern this great and powerful Nation in treating with the people of Hawaii.

I wonder if Senators realize that there has been no hearing upon the measure, that as a matter of fact, as I understand it, there has been no real consideration given to the measure by the members of the committee? I understood the Senator from Maryland [Mr. TYDINGS] to say that the committee had been polled upon the measure and that the report of the measure to the Senate and its consideration now depend upon a poll made upon this important piece of legislation.

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

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I am glad to yield.

Mr. VANDENBERG. The poll not only was incomplete, but it merely sought permission to report the joint resolution without recommendation.

Mr. LA FOLLETTE. Mr. President, every Senator knows how polls are obtained in the closing hours of a session of the Congress. A page boy or the clerk of the committee rushes up to a Senator, who is harassed by other and perhaps what he considers more pressing matters, shoves a paper at him and says, "Will you sign this? The chairman would like to get it reported out to the floor." No real consideration is given to legislation under those circumstances. If I had my way about it, there would be a provision in the rules of the Senate to prevent legislation being considered under such circumstances except by unanimous consent.

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

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

Mr. LA FOLLETTE. I yield.

Mr. KING. May I say to the able Senator that as a member of the committee I can testify there was no meeting held and no hearing accorded upon the measure. I understood from the chairman of the committee that a meeting would be held at 2 o'clock on a given day for the purpose of permitting those who cared to address the committee with respect to the measure, both for and against, full opportunity to do so. I notified the Delegate from Hawaii and he appeared at the time indicated, with other men of intelligence, character, and culture, ready to express their position and the position of the people of Hawaii.

For some reason the meeting was not held. No other meeting was held. No consideration whatever was given to the bill; and if it was reported, as it was, it was reported in the manner just indicated by the Senator from Wisconsin. I certainly did not sign it. I do not think I had the opportunity to sign it. I know that other Senators were approached, and some of them signed; and, so far as I am advised, some did not.

Mr. LA FOLLETTE. In any case, Mr. President, Senators well know that the Senate has been working under terrific pressure for the last week or 10 days. Last week, I think, we were in session 3 consecutive days for 12 to 13 hours a day. Under those circumstances, I submit to Senators that merely upon the taking of a poll a piece of legislation of vital importance in the eyes of the citizens of Hawaii should not be brought before the Senate and jammed through under whip and spur in the closing hours of the session. I think if we were to pass this bill under those circumstances it would be a blot upon the record of the United States Senate.

If it is the policy of the administration to make this change in the organic law of the islands, then let the matter be introduced at the next session. Give notice to the people of Hawaii. Permit them to send their representatives here to speak for their citizens. Then if, after a full and careful hearing and a deliberate consideration by the committee it still is the determination of the administration to pass this legislation, let it come to the floor of the Senate, be debated upon its merits, and a determination taken by the Members of this body. But I say here and now, Mr. President, that I am so convinced of the injustice which is being done, I am so convinced of the unjustifiable nature of the procedure in connection with this legislation, that insofar as I am physically able to do so I shall prevent action upon it at this session of Congress.

Amendment of the organic law of the Hawaiian Islands is a serious, a momentous step from the point of view of the people who are residents of those islands. It must be remembered that this is a Territory, Mr. President. The organic act was adopted after the negotiations had taken place which were necessary to make these islands a Territory of the United States. I do not contend that it stands upon the same ground as a treaty, but I do say that it is only one step removed from a treaty in its solemn obligations upon the contracting parties.

I recognize that Congress retained plenary power to repeal the organic law, to change or to alter it in any respect. Nevertheless, I do not think I am going too far in urging upon the Senate that action should not be taken lightly; it should not be taken without careful consideration in attempting to modify in so important a respect the organic law of this Territory.

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

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

Mr. LA FOLLETTE. I yield.

Mr. KING. I think the Senator has been well within the realms of moderation in referring to the matter which he has just discussed. It seems to me that when two independent and sovereign nations enter into an agreement under the terms of which there is a consolidation, the smaller ceding its territory and its sovereign rights to the other, and immediately, as a part of the transaction, as a part of the res gestae, a bill is passed by the larger nation under the terms of which the smaller independent nation, weak as it was, is to have the right to have the Governor selected from its own Territory, it really is a part of the treaty; and a breach of that organic act becomes a breach of a solemn agreement between two sovereign powers.

Mr. LA FOLLETTE. I thank the Senator for his suggestion; and in that connection I wish to read briefly from the remarks of Representative GIBSON, to be found on page 5016 of the CONGRESSIONAL RECORD of June 5:

> Mr. Speaker, Hawaii is located 2,100 miles west of the mainland. Its government was formerly a monarchy with a long line of kings and queens. The people overthrew the monarchy and Hawaii became a republic. When it became a republic application was made to join the United States. A committee was formed, made up in part of citizens of Hawaii, and an agreement arrived at as to the basis of joining the American Nation.

In other words, these islands are not a possession which came to us as a result of conquest. These islands are not a possesion which came to us as the result of acquisition by purchase. These islands are a Territory of the United

States as the result of a voluntary act taken upon the part of a sovereign people; and as a result of their application to become a Territory of the United States negotiations were entered into and the organic law is the result.

A committee was formed—

Says Representative GIBSON—

made up in part of citizens of Hawaii and an agreement arrived at as to the basis of joining the American Nation. This was covered by a resolution adopted by the Congress of the United States.

Its relation to the United States and its status are fixed by the organic act. The organic act provides, among other things, that the Governor shall be a resident of Hawaii. At first he was required to be a resident for 1 year. In 1920 or 1921 it was changed to 3 years. Since that time one of the requisites has been that the Governor be a resident of Hawaii for 3 years.

I desire to point out, in connection with the statement I made concerning the scant consideration which this measure received at the hands of the Senate committee, a statement by Representative GIBSON describing the meager consideration which it received in the House of Representatives. He says:

It is proposed by this bill to permit the appointment of any citizen of the United States, of 35 years of age, and with other qualifications. I am opposed to it. In the first place, no good reason was shown to the committee for the change.

That is, the House committee.

Not a word of testimony was brought out except the message of the President, in which he asked for a temporary suspension of the provisions of the organic law. I am opposed to it because it is opposed by the people of Hawaii, by the business men, and by the legislature. I am opposed to it because no investigation has been had to determine whether this should be passed or not. I am opposed to it because it breaks faith with the people of Hawaii.

Representative SNELL, the minority leader in the House, interrupted Representative GIBSON:

Mr. SNELL. Was there any information before your committee except that contained in the message of the President of the United States why this should be done?

Mr. GIBSON. Not any in favor of the passage of the measure.

Mr. SNELL. There was no investigation of any kind?

Mr. GIBSON. None whatsoever.

Mr. SNELL. I am a little surprised that the gentleman from Mississippi [Mr. RANKIN] should bring in a bill advocating carpetbag government in any Territory or in any part of the United States. That is the last place I would suppose it would come from.

Mr. President, what is the situation concerning this measure? Admittedly, it had no hearings in the House of Representatives. No testimony was taken. No arguments were presented. The bill was reported out from the House committee, and after a fight they finally secured a rule, and it was passed through the House of Representatives. It came to the Senate. The Senator from Maryland [Mr. TYDINGS] did not even call a meeting of his committee. He took a poll; and it has now been developed, by statements made by Senators, that the poll which he took was not a complete poll.

I do not know how many Senators' signatures are attached to the measure at the desk, but the Senator from Utah [Mr. KING], long a member of this committee, has stated that he did not have an opportunity to register his position upon this measure through the poll. There were no hearings in the House; no testimony was taken in the House; no arguments were presented for its passage. It passed the House. It was referred to the Senate Committee on Territories and Insular Affairs. The chairman of the committee did not even dignify the measure by calling a meeting of his committee. He took a poll, or had someone take it for him. They went to enough members of the committee to get a majority, and then the bill was reported to the Senate of the United States and taken up without there even having been a written report from the chairman of the committee or from the majority of the committee.

Mr. President, in the face of that record, will the Senate of the United States proceed to break this long-established relationship with the people of Hawaii, through the organic act, by a substantive amendment of it?

I cannot believe that Senators will vote to take any such action in the face of the record.

Mr. President, with reference to the manner in which the Hawaiian Islands became a Territory of the United States, I wish to quote briefly from the remarks of Representative ENGLEBRIGHT, to be found on page 5019 of the CONGRESSIONAL RECORD of June 5:

Mr. Speaker, it is well to remember that the Territory of Hawaii was not acquired by conquest or purchase but was the result of the meeting of minds of two independent governments, resulting in an agreed annexation.

Annexation was first officially considered in 1854, when a treaty with that as its objective was drawn up and signed by the officials of both nations, but failed of ratification by the United States Senate, because it provided for the admission of Hawaii as a State. The drafts of the treaty show that attempts were made to persuade Hawaiian officials, especially the king, to accept the status of a Territory, but this they refused to do. This treaty failed of ratification, but the project of annexation was kept alive. The United States often demonstrated its interest in and a protecting attitude toward Hawaii.

President Abraham Lincoln said of Hawaii in 1864 in a letter to Elisha Allen, Envoy Extraordinary from the United States to Hawaii:

"Its people are free, and its laws, language, and religion are largely the fruit of our own teachings and examples."

This is a strong statement of the attitude of the United States at that time toward the government created by the people of Hawaii. It certainly was not contemplated by President Lincoln to annex Hawaii and give it a less free government than it then had or now has.

In 1875 a step nearer to annexation was taken by the two countries by a reciprocity treaty, which was signed that year and went into effect the following year.

The island government remained in the hands of the natives of the island under a monarchial form until 1893, when a successful revolution, headed by Sanford Ballard Dole, overthrew the monarchy and caused the establishment of the republic. Negotiations for annexations were at once opened by both countries along the lines similar to the treaty of 1854. President Harrison, in his message transmitting the treaty to the Senate, February 15, 1893, said:

"Only two courses are now open—one the establishment of a protectorate by the United States, and the other annexation, full and complete. I think the latter course, which has been adopted in the treaty, will be highly promotive of the best interests of the Hawaiian people, and is the only one that will adequately secure the interests of the United States."

The treaty contained the following phrase:

"Especially in view of the desire expressed by the said government of the Hawaiian Islands that these islands should be incorporated into the United States as an integral part thereof."

It is evident from these treaty stipulations, and from statements made by the Presidents of the United States and several Secretaries of State that both Nations agreed that Hawaii, if annexed, was to become an integral, incorporated part of the United States; that the people of Hawaii had demonstrated their ability to govern themselves; and that after annexation the people would be more free, secure, and self-governing than they had been in the past. Indeed, this was one of the objects of annexation.

Almost immediately after the inauguration of President McKinley another important treaty was negotiated and signed June 16, 1897. The treaty said: "These islands should be incorporated into the United States as an integral part thereof." As a result, Hawaii was annexed by joint resolution of Congress approved July 7, 1898.

The Hawaiian Islands are not merely a foreign possession of the United States, but are an integral and incorporated part thereof, and have been so defined by decisions of the United States Supreme Court.

Following annexation the United States initiated in the islands the usual American form of government, and it is modeled after the governments of most of the American States.

For more than 30 years the Territory has been operating under the American form of government, happily, patriotically, and successfully.

At this point Representative ENGLEBRIGHT was interrupted by Representative HOOPER.

Mr. HOOPER. Is the gentleman aware of the fact that in the island of Hawaii, an island the size of the State of Rhode Island, there has been but one murder in the past 25 years?

Mr. ENGLEBRIGHT. I understand that to be the fact.

The Territory, through taxation, raises money to defray all ordinary expenses. It supports excellent public schools for its 90,000 children who are subject to compulsory education along strictly American lines. Its university is attended by 2,000 students.

The various activities of the Territory are maintained just as the States carry on such activities, and cost about $12,000,000 a year. In the middle of the year 1932, while many of the States and municipalities on the mainland were in difficulty, Hawaii struck a balance and found that with all bills paid she had $5,000,000 in cash on hand and $5,000,000 more in liquid bonds. In addition to her Territorial taxes, it was shown that during the previous year Hawaii had also contributed to the Federal Government $5,375,000 in income and custom taxes. A balancing of the books between the Territory of Hawaii and the Federal Government showed that during the preceding 30 years it had sent to Washington $175,000,000, while the Federal Government had spent

upon activities that might be properly charged up against the Territory about $32,000,000, leaving a net profit to the Federal Government of some $149,000,000 in taxes received from the islands.

Mr. President, this is the record under the existing organic act, and under the past administrations in the Territory, a record of which I think the people of Hawaii have a right to be proud, which the Senator from Maryland asks the Senate to disregard and instead to enact a statute which every self-respecting citizen of the Territory of Hawaii regards as an insult.

I continue to read from Representative ENGLEBRIGHT'S remarks:

Thus the islands have not been an expense to the Government of the United States but have yielded a direct handsome cash profit. The record of self-government that Hawaii has made in more than 3 decades of Territorial life, from every aspect, has been an enviable one. It is safe to say that its institutions compare favorably with those of the half dozen more progressive States on the mainland. Within the short period of 30 years it has developed itself into one of the most important subdivisions of the United States.

At this time to change its organic act, to change its form of government, to set up a dictatorship over the islands in violation of the spirit of the treaty negotiations, in violation of the spirit of the articles of annexation without giving its people a chance to be heard, and in opposition to the expression of its legislature, and over the protest of its duly elected representative here in this House is an autocratic and an un-American procedure.

The Senator from Maryland may attempt to hide the essential issue involved in this measure behind war clouds which he puffs upon the horizon in the Pacific, but I submit that he cannot get away from the irrefutable argument of Representative ENGLEBRIGHT that action upon this measure under these circumstances would be absolutely unjustifiable, and would put a stain upon the record of the United States Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 19 and 43 to the bill and concurred therein; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 10, 16, 30, 34, 44, 45, and 46 to the bill and concurred therein severally with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its disagreement to the amendments of the Senate numbered 11, 13, 14, 15, 17, 18, and 21 to the bill; that the House had disagreed to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 47 to the bill; that the House requested a further conference with the Senate on the disagreeing votes of the two Houses on the amendments still in disagreement, and that Mr. WOODRUM, Mr. BOYLAN, Mr. HASTINGS, Mr. BUCHANAN, Mr. TABER, and Mr. THURSTON were appointed managers on the part of the House at the further conference.

The message also announced that the House had passed without amendment the bill (S. 813) to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 3344. An act to amend section 14, subdivision 3, of the Federal Farm Loan Act;

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district; and

H.R. 6034. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

INDEPENDENT OFFICES APPROPRIATIONS

The PRESIDING OFFICER (Mr. DUFFY in the chair) laid before the Senate the following action of the House of Representatives:

IN THE HOUSE OF REPRESENTATIVES,
June 15, 1933.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 19 and 43 to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate no. 7 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert "$85,773,000: *Provided*, That when found to be to the best interest of the United States, not to exceed $500,000 of this amount may be used for payments to State institutions caring for and maintaining veterans suffering from neuropsychiatric ailments, who are in such institutions on the date of the enactment of this act."

That the House recede from its disagreement to the amendment of the Senate no. 10 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert: ": *Provided further*, That section 6, title I, of the act entitled 'An act to maintain the credit of the United States Government', approved March 20, 1933, is hereby amended to read as follows:

"'SEC. 6. In addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty and to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments and medical and hospital treatment for diseases or injuries.'"

That the House recede from its disagreement to the amendment of the Senate numbered 16 to said bill and concur therein with the following amendment:

In lieu of the first three lines of the matter inserted by said amendment insert:

"Such amount as may be necessary of the fund entitled 'Recreation fund, Army', created by the War Department Appropriation Act, approved March 4, 1933, is hereby appropriated and."

That the House recede from its disagreement to the amendment of the Senate numbered 30 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"SEC. 6. Hereafter the Postmaster General shall not award any air mail contract or any ocean mail contract under the Merchant Marine Act of 1928 to any individuals, companies, or corporations, which singly or in combination with other individuals, companies, or corporations pay any salary or salary combined with bonus, to any officer, agent, or employee in excess of $17,500. If such individuals, companies, or corporations employ any officer, agent, or employee on a part-time basis, such salary, or salary combined with bonus, shall be reduced in proportion to such part-time employment."

That the House recede from its disagreement to the amendment of the Senate numbered 34 to said bill and concur therein with the following amendments:

In line 1 of the matter inserted by said amendment strike out the letter "c" and insert "b", and in line 6 strike out "voluntarily or."

That the House recede from its disagreement to the amendment of the Senate numbered 44 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"SEC. 17. That section 3 of the act of Congress approved May 28, 1928, entitled 'An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services"', as amended by the act of July 3, 1930, be further amended by adding thereto the following: '*Provided*, That in all cases where since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent the rate of pay fixed for such position prior to such allocation may be paid after the date of the enactment of this act so long as the position is held by the incumbent occupying it at the time of such allocation, and the Comptroller General of the United States is authorized and directed to allow credit in disbursing officers' accounts for all payments heretofore made at such higher rates.'"

That the House recede from its disagreement to the amendment of the Senate numbered 45 to said bill and concur therein with the following amendment:

At the end of the matter inserted by said amendment, before the period, insert " : *Provided further*, That the contractor shall not be allowed any profit in connection with the restoration of such earthquake damages."

That the House recede from its disagreement to the amendment of the Senate numbered 46 to said bill and concur therein with the following amendment:

In lieu of line 1 of the matter inserted by said amendment insert:

"SEC. 19. Section 36 of the 'Emergency Farm Mortgage Act of 1933', approved May 12, 1933, is hereby amended to read as follows:

"'SEC. 36. The Reconstruction Finance Corporation is.'"

That the House insist upon its disagreement to the amendments of the Senate numbered 11, 13, 14, 15, 17, 18, and 21 to said bill.

That the House disagree to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 47 to said bill.

That the House request a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. WOODRUM, Mr. BOYLAN, Mr. HASTINGS, Mr. BUCHANAN, Mr. TABER, and Mr. THURSTON be the managers of the conference on the part of the House.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. LA FOLLETTE. I yield.

Mr. BYRNES. I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 7, 10, 16, 30, 34, 44, 45, and 46.

Mr. McNARY. Does that include the Cutting-Steiwer amendment?

Mr. BYRNES. No; I will explain the situation as I go along.

Mr. LA FOLLETTE. Mr. President, may I have an understanding from the Chair that I will not lose my rights under the rules in yielding to this privileged matter?

The PRESIDING OFFICER. It may be so understood.

Mr. BYRNES. Mr. President, these are amendments as to which there is no controversy between the two Houses. They were legislative provisions which had to be submitted to the House for consideration. They were agreed to tentatively by the conferees during the original conference. So I have moved that these amendments be agreed to en bloc.

The motion was agreed to.

Mr. BYRNES. Now, I move that the Senate insist upon its amendments nos. 11, 13, 14, 15, 17, 18, and 21. Those are amendments which are in dispute between the two Houses, one of them the amendment of the Senator from Alabama [Mr. BLACK], the others amendments involving totals.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina.

The motion was agreed to.

Mr. BYRNES. Mr. President, I now move that the Senate insist upon its amendment to the amendment of the House to the amendment of the Senate no. 47, which is the amendment discussed at length in the Senate and which involves the amendment of the Senator from Oregon [Mr. STEIWER] and the Senator from New Mexico [Mr. CUTTING]. I move that the Senate insist upon its amendment.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina.

The motion was agreed to.

Mr. BYRNES. Mr. President, I now move that the Senate agree to the conference requested by the House and that the Chair appoint the conferees.

The motion was agreed to; and the Chair appointed Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. HALE, and Mr. STEIWER conferees on the part of the Senate.

COMPENSATION OF VETERANS—THE ECONOMY ACT

Mr. SCHALL. Mr. President, I ask leave to have printed in the RECORD a letter I recently received disclosing another instance of wrong done a veteran under the so-called "Economy Act", otherwise known as "An act to maintain the credit of the United States."

Every Senator and House Member has been deluged with appeals of like nature, all of which has led Congress to regret that it delegated its powers to the Executive to make regulations through a large staff of employees and clerks unfamiliar with the true facts of each case and often unsympathetic with the welfare of the veteran.

It is unfortunate to call the measure an act to maintain the credit of the United States as though the credit of our Nation depended on doing injustice to its defenders.

I hope that Congress will insist on regaining the right to make specific limits in the reductions to veterans at this time, and that when it convenes again it will go further and recall all rights given the Executive in the so-called "Economy Act", and set out to do its own legislating as the Constitution provides, instead of leaving it to the President to make our laws.

The veterans elected us to protect them in their rights for defending our country; we should be derelict in our duties if we failed them in this, their hour of need.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

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

FERGUS FALLS, MINN., *June 9, 1933.*

Hon. THOMAS D. SCHALL,
United States Senate, Washington, D.C.

DEAR SENATOR: I am attorney for a World War veteran, named Edward K. Mills, who is clearly entitled to maintain an action on his war-risk insurance policy. He is a pitiful object, and will be soon, if he is not now, a definite object of charity. He suffers from what is commonly known as sleeping sickness, and the doctor advises me, on the history of the case, that there is no question but what this condition is traceable to the gassing and mumps which he contracted while in service abroad. The record and the facts of the case demonstrate that he did feel unwell when he was discharged and gradually got worse, so that on January 1, 1920, he became so affected by this disease that he was asleep for 72 days. He has tried ever since to recuperate and to work, but his sickness has prevented him from engaging for any length of time in that effort. In 1927 or 1928 he went to Alaska, apparently under the advice of doctors and in the hope of getting better in that climate. He stayed there until December 1, 1932, and had made plans for starting an action to have his insurance recognized, but he had to leave Alaska so as to be back here on December 1, and about a month ago his counsel in Alaska, about to be appointed judge of that Province or Territory, turned the case back to him and he employed me. The veteran is now a resident of this county, his relatives and friends are poor, and I started an action.

It now develops that the Government refuses to admit service on account of the provisions of the so-called "National Economy Act." This monstrous thing, known as the "National Economy Act", section 17, title 1, says: "All laws granting or pertaining to yearly renewable term insurance are hereby repealed", and section 5 of the same title seems to provide that "all decisions rendered by the Administrator of Veterans' Affairs under the provisions of the title, or the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review, by mandamus or otherwise, any such decision."

Under this law, as I understand it, since March 20, 1933, the date of its enactment or signing by the President, no action upon war-risk insurance policies can be commenced. This I was not aware of when the action was begun.

It is very difficult to believe that the Congress of the United States, representing the people of the country and assembled to protect their interests, and particularly the interests of the veterans who defended our country in time of war, let themselves be led into such unjust and iniquitous legislation. This is merely an instance showing the effect of this legislation. I presume there are thousands of like cases. These veterans have patriotically endeavored to get along as best they could, in the hope, as in this case, that they would not be reduced to the necessity of availing themselves of the act as it was originally. In other words, save themselves from the necessity of bringing action in court to determine their rights. Now they discover that Congress and the President of the United States, in the name of "national economy" and "to maintain the credit of the United States Government", subtracts, without any resulting consideration, valuable rights which former laws vested in these veterans. If the veterans do not rise in arms against such legislation and "economy", I shall be very much surprised. In any event, the conscience of the people at large must be outraged when they understand the situation.

With reference to this particular man, unless we can get something done for him, he will be in a short time, but for years, unless death intervenes, a definite object of charity in our county.

The object of my letter is to apprise you of a practical situation so that if possible you may in this particular session, get an amendment through that will restore the right of these veterans to sue in the United States courts to recover the rights, such as they may have. There is still time to correct this grievous injustice, I hope.

I want to say to you and to all others that might get in touch with this practical problem, that this injustice is not creditable to you. I am positive that you have done all you could to prevent this kind of "economy" which transfers the discharge of a national debt with respect to these veterans to local communities which are now already distressed and who must contribute by means of the income tax to the maintenance of a Government primarily liable.

I remain, respectfully yours,

ERIKSSON LAW OFFICES,
By L. ERIKSSON.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, reserving to the Senator from Wisconsin his constitutional, statutory, and other rights, I ask him whether he will yield in order that I may move a recess?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON of Arkansas. I move that the Senate stand in recess until 6:30 o'clock.

The motion was agreed to; and (at 5 o'clock p.m.) the Senate took a recess until 6:30 o'clock this day.

On the expiration of the recess, the Senate reassembled, and the Vice President resumed the chair.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Copeland	Kendrick	Robinson, Ind.
Ashurst	Costigan	King	Russell
Austin	Cutting	La Follette	Schall
Bachman	Dale	Lewis	Sheppard
Bailey	Davis	Logan	Shipstead
Bankhead	Dickinson	Lonergan	Smith
Barbour	Dieterich	Long	Steiwer
Barkley	Dill	McAdoo	Stephens
Black	Duffy	McCarran	Thomas, Okla.
Bone	Erickson	McGill	Thomas, Utah
Borah	Fletcher	McKellar	Thompson
Bratton	Frazier	McNary	Townsend
Brown	Glass	Metcalf	Trammell
Bulkley	Goldsborough	Murphy	Tydings
Bulow	Gore	Neely	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hatfield	Overton	Walcott
Caraway	Hayden	Pope	Walsh
Carey	Hebert	Reed	Wheeler
Clark	Johnson	Reynolds	White
Connally	Kean	Robinson, Ark.	

Mr. LEWIS. Mr. President, I rise to announce that the Senator from Nevada [Mr. PITTMAN] is necessarily detained from the Senate in attendance upon the London Economic Conference.

I also wish to announce that the Senator from Georgia [Mr. GEORGE] is unavoidably detained, and that the Senator from Massachusetts [Mr. COOLIDGE] is absent on official business.

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

SIGNING OF ENROLLED BILLS

Mr. ROBINSON of Arkansas submitted a resolution (S.Res. 102), which was considered and agreed to, as follows:

Resolved, That the President of the Senate be, and he is hereby, authorized to sign, after the adjournment sine die of the present session of Congress, enrolled bills and joint resolutions not presented to him for his signature prior to such adjournment, and that the Committee on Enrolled Bills be, and it is hereby, authorized and directed to present same to the President of the United States.

THE AGRICULTURAL SITUATION

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD two letters in regard to the farm situation.

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

AN APPEAL FROM THE FARMERS OF AMERICA

To FRANKLIN D. ROOSEVELT, President of the United States.

DEAR MR. ROOSEVELT: Feeling that the seriousness of the farmers' condition has been misrepresented to you, I have been requested by the members of our Watonwan County (Minn.) Farmers' Holiday Association to state to you our feeling in regard to the new farm bills just made law by you and the present Congress. We farmers are not satisfied with these new bills. We are both disappointed and angry. Angry because, after having petitioned for 4 bitter years for legislation embodied in the Frazier bill, which we know would give us the help we need, once more organized greed has defeated us and thrust upon us another experiment of their own making. We are indeed angry. We do not like the new mortgage refinancing bill. And we have no confidence or faith in Secretary Wallace's scheme to raise farm prices. We do not think it will work out successfully. It cannot, because we know that the cause of our marketing difficulties is not overproduction. His idea is but one more costly experiment, and we have had enough.

But the refinancing of our mortgages is the problem of greatest importance. This bill is a part of your "new deal" for agriculture. As such, your "new deal" is destined to fail. If it fails to relieve and help us farmers, you and the Democratic Party will fail with it, because the solution of the farmers' problem has become the crucial test for every political party.

We do not wish you to fail. That is why we are appealing to you once more. We demand that our own farm bill, the Frazier bill, be reconsidered and supported by you.

It is but just and fair that we state to you why we do not like the new mortgage refinancing bill. It is also just that I, as spokesman for the organized farmers of this county, should state my qualifications as a critic of the present farm-loan system and the new mortgage bill. I am a woman farmer, having owned and operated my own farm for 44 years. During the last 9 of those years I have carried a heavy Federal loan on my farm, and have gone through all the bitter experience of threatened foreclosure and loss under the present vicious system. I know whereof I speak. I wish to state in no uncertain terms that the present Federal Farm Loan System is the biggest swindle ever put over upon the American farmers by the bankers of this country. I also wish to state that the methods and practices of the land bank of St. Paul toward its farmer borrowers, have in many instances been despotic and tyrannical. And your new mortgage bill has not removed these evil features of the farm-loan system.

It will still be a great swindle under the new bill. Our objections to the present loan system may be summed up as follows: Too high interest rates, too much banker control, and unjust terms to which we are compelled to submit.

Under the new bill the interest rate has been reduced to 4½ percent. That is still too high in contrast with the low rates the United States Government has given other countries and foreign countries. It is also still too high in contrast to the vast debt already stacked up against the farmer. We are told that our buying power must be restored to us in order that the great army of unemployed may go back to work—work created for them by the big amount of new things the restored farmer is expected to buy. Herein lies the fallacy of the new farm bill.

How can we farmers pay 4½-percent interest on nine billions of farm debt, pay up a vast sum of other debt outside of the mortgage indebtedness, which has been increasing and piling up against us for 13 years past—how can we do all this and still have enough left out of our incomes to buy sufficient manufactured goods to start all the factories operating and employing men again? Even with the time extensions granted on debts by the new bill, a gigantic task has been laid upon the back of the ruined farmer. We farmers, sitting here in our meeting hall, know that the new farm bills are not going to help us do all that is expected of us. The new interest rate is too high still. It will eat up the income of the farm and keep on destroying our buying power—the one thing so necessary to restore prosperity to this country.' We asked for 3 percent. Why couldn't we have it, especially since so much depends upon the restoration of our purchasing power?

Here is the answer—too much banker control of our lawmaking bodies. The old exploitation of the workers by the bankers will still go on. The bankers did not want us to have 3-percent interest rate. That would cut down their big profits, dividends, and salaries. That is the chief reason we farmers object to the Federal Farm Loan System. The Federal Farm Loan System is but a part of the Federal Reserve System, and it was the head of the Federal Reserve System, the Federal Reserve Board, that plotted our ruin in cold blood back in 1921 and robbed us farmers of some $4,000,000,000. Not satisfied with that dastardly crime, that board of bankers went one step further and declared all farm mortgages nonnegotiable paper. That master stroke completed our ruin. Farm prices crashed far below cost of production, and the value of our land dwindled to nothing. The Federal Reserve Board had sold the American farmers into financial slavery. After 13 years of bitter hardship and struggle for freedom, we are still in bondage. Your "new deal" has not—cannot free us.

Why? Because we are still under the dictatorship of the bankers who ruined us. The only relief they have offered us is the reduction of a pitiful 1 percent in interest and an extension of time. Just more credit! We do not want more credit! We ask for a chance to pay off our debts and be free American citizens! That demand is only simple justice. The Revolution of 1776 was fought for just that.

We asked for honest dollars and a square deal. We didn't get it. That is why we are sending this final appeal to you before we take our own business in our own hands. In the Frazier bill we demanded a reform of the Federal farm loan system as now practiced. But our demands, our petitions, our prayers, have all been in vain. We have been ignored in Washington. Against our will, we have been made the victims of experiment. Hoover promised us relief. What did we get? Just another experiment—

the Farm Board. We farmers did not ask for the Farm Board. We asked then, as now, for honest money and a square deal. We do not believe in price fixing. We believe that if we are given honest money handled by the United States Government instead of by a group of special-privilege bankers, our markets will adjust themselves. We will see to that. Never has the American farmer been allowed the legislation he has asked and worked for. Never has he been permitted to choose for himself. Others, greed blinded, indifferent, or ignorant of the true farm situation, have always chosen for him, with disastrous results to all. But that time is past. The farmers of America are in revolt!

Your "new deal" for the farmer does not end the abuses practiced against him by the Federal land banks. In the Frazier bill we called for a reform of this vicious system. The Frazier bill gave the farmers representation and partial control on the Federal Farm Loan Board. As it stands today, we farmers have neither representation nor control of our own finances. The so-called "local boards of directors" are mere puppets. All power is centered in the banker-controlled land banks.

I wish to call to your attention a few of the abusive features of the present loan system. Chief of these is the "stock" clause. Every farmer must buy stock in the loan association to the amount of one half of 1 percent of the sum of his mortgage. This sum or "stock" is added to his mortgage principal so that he borrows just that much more than he needs and is compelled to pay interest on that additional amount. This stock is supposed to be refunded to the farmer when he pays off his mortgage. But the banks as well as the farmers got into such a precarious position that all stock in the land-bank system is now as good as forfeited. For the first 3 years the land banks paid the farmers interest—6 percent—on this stock. The farmers paid the banks 5½ percent. Now, the land banks have simply absorbed that additional money and the farmer has no come-back. We are told that this money has been used to meet defaulted interest and installments of fellow borrowers. Yet that is not the worst part of this stock feature of the Federal loan system. This "stock" is assessable in case the land banks get in so bad that that step becomes necessary. It is all a great, cruel swindle. We farmers have just been robbed of this "stock" money.

Another abuse practiced by the land banks against the farmers is the "penalty" levied on delinquent interest and installments. If a farmer cannot meet his payments when due, the land bank charges him 8 percent penalty on the sum delinquent. Can you see any justice or reason in this practice? If a man is unable to pay 5½ percent, how in the world can he pay 8 percent? And that interest upon interest, while the other 5½ percent on the principal is still going on at the same time. If this is not a swindle, what is?

Another objection we have to the present loan system is the small amount—just 1 percent—which is applied each payment date on the principal of the loan. Out of the 5½ percent interest rate, 4½ percent is claimed by the land bank as interest and only 1 percent is applied to cut down the sum of the loan. In the Frazier bill 1½ percent was to be taken as interest and 1½ percent was to be applied on the principal. Under the present system too much is claimed in interest and too little is applied on the principal. This is also true under the new reduced rate of 4½ percent. Such a system requires a lifetime of drudgery to pay off a mortgage. In fact, farm mortgages are seldom paid off. They become heirlooms in farm families. We do not wish to pass mortgages on to our children and grandchildren. Give us a chance to pay our debts. Will the time ever come in this land of the free (?) when the word "mortgage" is not tacked to the word "farm"? Banker lawmakers denied us the Frazier bill with its 50-50 payment plan. We demand it!

One more practice of the land banks which we farmers resent is this: They tell us to send money to them in whatever amounts we can and whenever we can to be applied on the interest and installment when the date of payment came. When that interest had become delinquent and we had not deposited the required sum with them, but only a part of it, they did not apply any of our deposit on the unpaid interest but charged us 8-percent penalty on the whole sum and held back our deposited cash until such time as we could raise the additional amount due. In the meantime they had the use of our money, without allowing us one cent for the use of it. At the same time they had failed to pay us a dividend on our "stock", as they were supposed to do. Is that justice?

We farmers also object to the expensive "field men" the land banks send out to inspect us and to examine and inventory everything we possess. These field men are in addition to the local secretary-treasurer and the board of directors. They do the work that these local officials do and can do, and receive $12 per day, a car, and expenses. That is bad enough, but many of these field men are inefficient, dishonest, and unqualified for the job. All this additional cost comes out of the farmer. Is it any wonder the land banks "absorbed" our stock money?

While speaking of costs, let me add that the land bank of St. Paul is one of the most magnificent and costly bank buildings in the Northwest. The taxes on it each year are enormous because of its costly material. We farmers paid for that, too. Graft? We are tired of it. It must end.

I am delinquent on my interest and installment. The field man came to see me about it. He said he could grant me an extension of time on this unpaid interest, provided I gave them a chattel mortgage on my crops and personal property or assigned to them a part of my monthly cream check. I said, "No!" If this valuable farm is not worth today the mortgage they were willing to put upon it 9 years ago, I will not put another penny into it. It was not my fault that the Federal Reserve Board back in 1921 deflated my property and knocked $100 per acre out of its valuation. I refuse to give them one thing more—especially my livestock and crops upon which I must depend for the sustenance of life. Then he said, "Well, if you could give us this additional—additional—security, we could reduce the penalty from 8 percent to 6 percent. If you cannot give this added security to the land bank, we must charge you 8 percent penalty." Tyranny? Wars have been fought for less!

In your new bill just passed and made law, delinquent borrowers like myself can be given a moratorium on the payment of the installments on the principal during the next 5 years, provided—provided they have kept their loans in good standing during the depression! If we farmers had been able to keep our loans in good standing while forced to sell our products at less than cost of production, you and Congress would not have had to pass a mortgage refinancing bill. It is farmers like me—who have found the load too heavy to bear, and we number thousands upon thousands—who need the refinancing legislation. Now we are discriminated against in favor of the man who doesn't need the help one half as much. More tyranny.

So much for the banker-controlled land banks. Suffice it to say in closing that the general feeling among the farmers toward the land banks is one of distrust, dislike, and contempt. We do not like the Federal loans and avoid them whenever we can. The new bill has not improved them. None of the vicious, unjust features have been removed. We don't want any more Federal loans.

One word about the new regional credit loans now being made. We have discussed them at our meetings. The final opinion of the farmers in regard to these loans is this—"just more graft." Bankers who couldn't run their own banks straight and square and got kicked out are now agents for these loans. They draw $5 per day and 10 cents per mile to go out and examine applicants for regional loans. These crooked, busted bankers are using this new loan system to refinance their own slim purses. They go miles out of their way to run up expenses. They value livestock and personal property of all kinds to suit the amount of the note the farmer owes some banker friend of his. The terms of these loans tie a farmer's hands so tightly he dares not spend a penny without asking permission to do so. Again, farmers are being exploited for the other fellow's benefit. More swindle. We farmers are in revolt. We want honest dollars and a square deal. You have not given it to us.

President Roosevelt, we farmers can stand no more. We will stand no more. We are in revolt against graft and dishonest money. We have no faith in the new price fixing bill. The new refinancing bill is a sorry disappointment. We asked Congress to grant us cost of production until we could recover from the severity of this depression. Just cost of production for a time. No wages. No profit. We asked that our mortgage indebtedness be scaled down to correspond to the present deflated valuation of our land. We did not ruin ourselves. Why should we be made to pay for that fiendish crime of the Federal Reserve Board? We are paying now with our very lives—our all. Yet we are expected to start factory wheels turning by buying all the thousand and one things we need and have been going without for several years—we are expected to pay an interest rate too high for the prices we will receive for our products. Upon our toil depend the welfare and the happiness of a great Nation. We are the key industry of the world. Yet we have been denied by our lawmakers the legislation we so need to help us in our mighty task—the bringing of new life and hope to a stricken people.

We did not ask for much. Just an interest rate equal to that granted other industries and foreign nations, a scaling down of our unjustly imposed debts, cost of production for our products, and a reform of the farm-loan system. Our lawmakers refused us 3 percent interest. Yet they are guaranteeing not less than 4 percent interest on land-bank bonds. Who buys those bonds? Bankers. They are still favored even in this great extremity. And we are still being exploited. We are taxed on everything we own—even the dog. On the other hand, land-bank bonds, bearing a Government guaranty for not less than 4 percent, are tax exempt. Why? Because bankers expect to buy them. So the old game will go on.

We are determined to not let it go on. We beg you to reconsider the Frazier bill—or one as good. We urge you to use your influence to give us the simple demands we ask.

We, the farmers of the United States, declare the new farm-relief legislation inadequate and unfair. If lawmakers will not grant us these sane and reasonable measures we need, we will act for ourselves.

SARAH E. WILSON,
Member of Farmers Holiday Association,
Watonwan County, Minn.

Headquarters at ST. JAMES, MINN.

LEONARD, MINN., *June 1, 1933.*

Hon. W. LEMKE,
Member of Congress, Washington, D.C.

DEAR MR. LEMKE: I want to write you in regard to the farm-mortgage refinance plan and the Frazier bill.

We are very much disappointed in the failure to pass this bill on which we indebted farmers have placed so much hope and if

passed would have been the most immediate and effective form of farm relief and a real help to the indebted farmers to refinance their mortgage debts.

In my opinion, the administration plan which is now accepted and ready to be put in operation offers very little help for the farmers who are burdened with heavy interest payment.

It may be of some help to some of those who already have a small Federal loan, but aside from these, very few can take advantage of this act.

If they cannot make their payment on old Federal or State loan, they cannot under this plan.

In the first place the interest rate is only a fraction of 1 percent lower than the present rate on State and Federal loans, and as a large percentage of the incumbered farms are mortgaged for all of their present value, and as the Government will loan only up to 50 percent of the value of the land and 20 percent of the value of the buildings, very few farmers can show up sufficient value to obtain a Government loan in an amount large enough to cover the old loans unless the creditors would be willing to take in many cases a substantial reduction in the face value of their mortgage.

Thus the adjustment of their mortgage debts will be entirely a matter of agreement between the creditor and debtor.

With the upgoing trend in prices on farm products which may possibly effect an increased demand and rise in value of farm lands, it is very doubtful that creditors will accept any settlement based on any reduction of the loans; it is more likely they would prefer to foreclose and take the farm. Then where is the protection for the farmer to save his farm and home which was promised in the new deal?

There are about 400,000 farmers who have Federal loans; according to the slight reduction in the interest rate, it will effect a saving of $52,000,000 in 5 years, or an average of $26 per year for every borrower.

This is certainly not going to put an indebted farmer on his feet; and with all the red tape and doubtful features connected with obtaining loans or refinancing under such plan, the "new deal" is no better than the old one.

A better and more simplified plan for refinancing the farm indebtedness without the issuance of bonds and without cost to the Government, which would have made possible a much lower interest rate, and which would have provided a protection for the creditor as well as saving the debtor, such as is embodied in the Frazier bill, is the only solution of this problem.

An advance in prices on farm products will to some extent lighten the debt burden, but that will take a long time and will not be of any immediate help, as many farmers are now so far behind in their payments on loans and taxes that it will take years to catch up, if they ever can. If prices on farm products go up, they may go down again in the future as they have in the past, and with no reduction of indebtedness and interest rates, the farmers will be in the same position, facing the same problems as they are now.

If the Frazier bill had passed, it would have saved our State and its rural-credit department hundreds of thousands of dollars, as the State of Minnesota now owns about 3,000 farms acquired by foreclosure; if this bill had passed, most of these farms would have been sold within a short time, as under such low rate of interest and long-time terms of payment it would have been cheaper and more preferable to own than to rent a farm; at the same time, it would have given those who are delinquent in their payments a better chance to redeem and also give the State a chance to cash in on a lot of its holdings instead of as now provide for supervision, pay insurance, and maintain upkeep on buildings at a large expense until the farms can be sold, and in many cases the rentals do not make up for the loss of interest, insurance, and upkeep.

As the prospect is now, the State will still have to take over many more farms. If these can be sold again later, it will be at a much lower figure than the amount of the loan, and a majority of these farms have not enough valuation to obtain a Federal loan large enough to pay off the State mortgage.

So our State legislature, Representatives in Congress, and farm organizations certainly had good cause for supporting and urging the passage of the Frazier bill.

I should highly appreciate your full and complete information in regard to future prospect of the Frazier plan if there is any hope of introducing the bill in its present form on any farm legislative program in the near future or next session of Congress.

In view of the universal support and urgent demand by legislative bodies and farm organizations from a large number of States for its passage and the failure of the administration plan to meet the requirement we needed and demanded, it should warrant another fight for its passage.

Kindly let me have your view on this important matter.

Thanking you for your kind attention and an early reply to my letter. I remain yours,

Very respectfully,

M. L. F. BLIX.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, at the time the Senate took a recess the Senator from Wisconsin [Mr. LA FOLLETTE] had the floor. I am informed that the conference committee will be ready to report on the independent offices appropriation bill in a few minutes. I move that the Senate take a recess until 7 o'clock.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 6 o'clock and 40 minutes p.m.) the Senate took a recess until 7 o'clock p.m., when it reassembled.

On the expiration of the recess, the Senate reassembled, and the Vice President resumed the chair.

TREATMENT OF THE JEWS IN GERMANY

Mr. NEELY. Mr. President, I ask unanimous consent to submit a resolution, which I ask may be read at the desk.

The PRESIDING OFFICER (Mr. COPELAND in the chair). Without objection, the resolution will be received, and the clerk will read as requested.

The Chief Clerk read the resolution (S.Res. 103), as follows:

Whereas the United States Senate has learned with deep regret that the Jewish people of Germany have been, and still are, being persecuted by the so-called "Nazi administration"; that as a part of such persecution the German Jews have been deprived of their citizenship, of their right to hold office, to own or control newspapers, to practice law or act as jurors; Jewish doctors have been outlawed; boycotts against Jewish druggists, opticians, and dentists have been organized; universities have been closed to Jewish students; and Jews are prohibited by decree from leaving the fatherland whose present government is subjecting them to hitherto unheard-of oppression; and

Whereas the people of the United States hold sacred the assertion of the Declaration of Independence that all men are endowed with the unalienable rights of life, liberty, and the pursuit of happiness; and

Whereas the Jewish people of Germany have been notoriously and cruelly deprived of the exercise of such rights by the Nazi administration: Therefore, in the name of humanity and in behalf of justice, be it

Resolved, That the Senate of the United States views with alarm and regret the persecution of the Jews of Germany by the Nazi administration, and solemnly expresses its sincerest sympathy for these afflicted people and hopes that they will be promptly restored to the enjoyment of all the rights of citizenship which they as members of one of the world's oldest, greatest, and most righteous races richly deserve.

Mr. NEELY. Mr. President, because of the existing parliamentary situation, I ask that the resolution may for the time being lie on the table.

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

APPOINTMENT OF GOVERNOR OF HAWAII

The Senate resumed the consideration of the bill (H.R. 5767) to authorize the appointment of the Governor of Hawaii without regard to his being a citizen or resident of Hawaii.

Mr. LA FOLLETTE. Mr. President, before the recess was ordered, I was reviewing the historical background, which it seems to me is an important consideration in connection with the consideration of the pending bill. I was quoting from the remarks of Representative ENGLEBRIGHT. I continue the quotation, as follows:

Thus the islands have not been an expense to the Government of the United States but have yielded a direct handsome cash profit. The record of self-government that Hawaii has made in more than 3 decades of Territorial life, from every aspect, has been an enviable one. It is safe to say that its institutions compare favorably with those of the half dozen more progressive States on the mainland. Within the short period of 30 years it has developed itself into one of the most important subdivisions of the United States.

At this time to change its organic act, to change its form of government, to set up a dictatorship over the islands in violation of the spirit of the treaty negotiations, in violation of the spirit of the articles of annexation without giving its people a chance to be heard, and in opposition to the expression of its legislature, and over the protest of its duly elected representative here in this House is an autocratic and an un-American procedure.

I also wish to quote from the remarks of Representative MOTT:

Mr. MOTT. It is a proposal to repeal a portion of the organic act of Hawaii in order to permit the President to appoint as Governor of that Territory a nonresident.

I understand the appointment is to be made immediately. The appointee is to be selected from the continental United States. There can be no question about that. The President intends, if given this authority, to put it into effect at once and to send to

Hawaii as Governor a person who is a stranger to the people of that Territory. This he intends to do without the consent of the people there and in disregard of the formal protest of the Legislature of Hawaii filed with the Congress.

Now, whatever of merit there may be to this proposal—and I leave the discussion of that to others if they know—the fact remains, and I do not see how it can be contradicted, that in passing this resolution you are repudiating a solemn covenant which was entered into by the Government of the United States and the Republic of Hawaii when the treaty of annexation was effected more than 30 years ago.

It is true the organic act of Hawaii is not a constitution, but it is the nearest thing that the people of a Territory can have to a constitution. The organic act of a Territory is the law which guarantees to the people of that Territory the kind and character of government under which they are to live; and the only fundamental difference between the organic act of a Territory and the constitution of a State is that the constitution of a State may be changed only by action of the people of the State themselves, while the organic act of a Territory may be changed without the consent of the people of that Territory by an act of Congress. I think on account of this fact Congress should be very, very careful in changing a fundamental portion of the organic act of a Territory which guarantees to the people of that Territory a specific right.

And now I wish to quote from the argument made by Representative ELTSE of California:

Mr. ELTSE of California. Mr. Speaker and Members of the House, in the name of justice, democratic liberty, and fair play in the new deal, I rise to address you.

The preamble to the Federal Constitution provides:

"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

With every breath I emphasize the purposes expressed in that preamble: (1) In order to establish justice; (2) insure domestic tranquility; (3) promote the general welfare; (4) and secure the blessings of liberty, we ordain and establish this Constitution.

Upon the voluntary request of the people of Hawaii, the islands were annexed to the United States on July 7, 1898. These people then sought, as they have ever since sought, the protection afforded by the Constitution, the laws, and the power and prestige of the United States. They have enjoyed that protection and 35 years of brotherhood and friendliness in the family of States and Territories comprising the Nation. They have felt secure under the mantle of justice and liberty which our Government threw over them. The Bill of Rights—the Magna Carta—guaranteeing the rights of these people is to be found in the organic act providing for the government for the Territory of Hawaii. This act was approved by the President on April 30, 1900. Section 5 of the original act provided:

"That the Constitution and * * * all the laws of the United States * * * shall have the same force and effect within said Territory or elsewhere in the United States."

Section 4 of the original act defined citizenship and provided, among other things, that all citizens of the United States who were residents there on August 12, 1898—

"And all the citizens of the United States who shall hereafter reside in the Territory of Hawaii for 1 year shall be citizens of the Territory of Hawaii."

Note that the residence required was 1 year.

Section 66 of the original act dealt with the Executive power, and provided that the Governor should be appointed by the President, and—

"Shall be a citizen of the Territory of Hawaii; shall be commander in chief of the militia thereof; may grant pardons or reprieves for offenses against the laws of the said Territory. * * *"

Under this section no one could be Governor unless he had been a citizen for at least 1 year.

On July 9, 1921, section 66 of the act was amended to require and provide that the Governor—

"Shall have resided therein (meaning Hawaii) for at least 3 years next preceding his appointment."

The demand and necessity for this amendment requiring 3 years' residence instead of 1, as a prerequisite to governorship, was mostly occasioned by the extreme dissatisfaction growing out of the carpetbagging practices and misrule of former Gov. L. E. Pinkham. That gentleman was appointed by President Wilson, and it subsequently developed that he had not maintained a bona fide residence in the islands for the requisite time prior to his appointment, and that upon his induction into office he immediately proceeded to dispense patronage to his personal friends in a manner after the fashion of the worst carpetbagger of reconstruction days.

Congress has twice decided that the Governor of Hawaii should be appointed from among her own citizens. The people of Hawaii, through a concurrent resolution of its legislature recently passed, voice vigorous opposition to any change in the residence qualifications of the Governor. Notwithstanding, Congress is now asked to amend the organic act permitting the appointment to be made from among the citizens of the islands or from the entire United States. It is perfectly obvious that the appointment is to be given to a resident of the mainland, else the power would not be sought.

This Government which mantles the various States of the Union and the Territories is a democratic, representative government. Its essence is one of autonomy and self-rule. Are we now to say to the people of the Commonwealth of Hawaii, "You are no longer fit to rule yourselves—we shall take this power away from you." Are they to be told that the Constitution is just another scrap of paper; that in order to establish justice their autonomy must be taken away from them by the appointment of a Governor not from their own people; that in order to insure domestic tranquillity they must have an outside commander in chief of their militia, an outsider who alone can grant pardons or reprieves for offenses against their own laws? Are they to be told that the only way they can "secure the blessings of liberty" is to have a carpetbagger from the mainland appointed their feudal overlord?

My Constitution, the Constitution of the United States and of the people of Hawaii, in the words of the gentleman from Arkansas [Mr. RAGON], may be dressed "with the silver buckles, the long stockings, and powdered wigs of 150 years ago", but it is still the living, dynamic Constitution of every liberty-loving citizen of the United States and of its Territories, not the least—the Commonwealth of Hawaii.

I now wish to quote from the remarks of Representative DIRKSEN:

Mr. DIRKSEN. Mr. Speaker, the people of Hawaii do not want the passage of this bill; the Chamber of Commerce of Hawaii is opposed to it, the Legislature of Hawaii is opposed to it, and the only thing that has been offered on the affirmative side in favor of this bill is a simple request of the President of the United States, without a single iota of fact or evidence to support it.

LINCOLN MCCANDLESS, the Delegate from Hawaii, has lived there for 51 years. His family is there, his brothers are there, his money and his property are there, and he has been a life-long Democrat, and if I were a consistent, loyal Democrat I would rather take the word of LINCOLN MCCANDLESS, the Delegate from Hawaii, on this matter than I would the President of the United States.

* * *

It seems to me that the demand of the President of the United States and the substance of the message are contradictory. So I prefer to follow the ideas of LINCOLN MCCANDLESS, the Delegate from Hawaii, whose interests are there and who loves Hawaii, who wants to see it prosper and wants to see progress made in the islands. In this particular matter I would rather follow him than I would the President of the United States. [Applause.]

I wish now to quote from Representative O'MALLEY. Representative O'MALLEY is a Member of the House from Wisconsin and a member of the Democratic Party. He said:

Mr. Speaker, I think this question is not one of patronage. I think the question goes deeper than that. It is a question of local self-government. I do not know what kind of Democrats they have in Mississippi and Ohio, but I cannot imagine that either of those gentlemen from those States who are on the committee would go around campaigning in their States opposed to local self-government.

In 1917 and 1918 we went to war, and one of the reasons was that we were told we were fighting for self-government by small countries. The kind of Democrats I have always known have favored local self-government, and I think this is entirely a question of local self-government. The people of Hawaii are entitled to a man in their own Territory. The last Congress passed a bill that would grant independence to the Philippine Islands, and now you are reversing yourselves in taking away independence from the people of Hawaii. A true Democrat, believing in the rights of people to govern themselves, cannot support a measure like this.

I now desire to quote from the remarks of the minority leader in the House on June 7, Representative SNELL, of New York. He said:

If this bill, affecting primarily the rights of the people of Hawaii, is indicative of the "new deal" the Democrats are going to give this country in the next 4 years, the Lord have mercy upon the average American citizen.

If there has ever been a rule that is absolutely inexcusable, I am sure this one is at the present time. This is a special session of Congress called for the distinct purpose of passing reconstruction measures of the President, measures that in some way it is hoped will rehabilitate this country and bring us out of the depression.

* * * * * * *

May I call the attention of the Members of the House to the Democratic platform of 1928. Hawaii was not mentioned in their last platform. I would like to read to the Members of the House what they said relative to Alaska and Hawaii in 1928. That statement reads as follows:

"We favor the development of Alaska and Hawaii in the traditional American way, through self-government. We favor the appointment of only bona fide residents to the offices in the Territory."

* * * * * * *

I also read the request of the President. He says he wants to appoint a forward-looking, experienced man. Would we expect the President of the United States to appoint any other kind of a man to an important executive position? * * *

Further on he said:

It takes special qualifications to fit a man to be Governor of Hawaii. He should be a man who knows the problems of the island. He should know the problems of the various races that make up that diversified population, and no man can know these problems except one who has been there for some time and has given himself to the work of the islands and in helping to solve their problems. When you bring a man from the continental United States who, perhaps, has never visited the islands, and ask him to be chief executive, you have done a great injustice to a very important part of our people.

While no reason has been given for it, there are plenty of reasons why it should not be done. In the first place, Mr. Speaker, every single inhabitant of the islands, every man, whether Republican or Democrat, is absolutely opposed to the legislation you are proposing to pass here today. It is not very often Republicans and Democrats unite on anything, but here is one time and one place where they are absolutely united. They want a man who is a resident of the islands to be appointed as chief executive over the islands. Further, we have absolutely gone back on our word when we made the original agreement with these people that the Governor of the islands should be a resident of the islands.

Mr. SNELL further said:

The gentleman from Arkansas, who presented this resolution, has spoken about the importance of these islands as an outpost of the United States. I appreciate well their importance to this country; but let me tell you, my friends, we better be very careful not to violate our agreement when they do hold such an important place in the defense of this country. When you consider their crime record ever since they have been a part of this country, no man has the right to point the finger of scorn at the present constituted government of the islands.

I maintain there has not been a word said anywhere about why we should do this, and it is simply a political move from start to finish against the solemn mandate of your own party in convention assembled.

It seems to me it is a rather anomalous situation to have this bill introduced providing for carpetbag government of Hawaii by a Member from Mississippi and the rule presented by a Member from Arkansas.

I wish now to quote from the remarks of Representative HOOPER:

Mr. HOOPER. Mr. Speaker, I know very well, of course, that nothing I can say here this afternoon will prevent the passage of this bill, yet I feel I should not let this occasion pass without at least giving my views of the reason this legislation should not become law.

Of all the amazing legislation which the House of Representatives has passed this year, this seems to me the most extraordinary. I do not speak from a political or partisan standpoint, but I deeply and earnestly feel that the House of Representatives in passing this bill today will commit itself to something which is justified in no way by morals or justice.

Mr. Speaker, Hawaii came into the Union under very particular circumstances. You could compare it with the way in which Texas came into the Union. The islands were not purchased, they were not conquered territory, they became a part of our Republic with the full wish and acquiescence of the inhabitants of that country, and in giving this acquiescence they relied on the good faith of the United States, on the promise of the United States to observe with them the compact by which they became a part of this Republic, and that compact is to be violated today. I do not know why it is to be violated. I am not imputing political motives to the President of the United States in asking for this legislation, but surrounding it all there is an air of the greatest mystery, an air such as surrounded a little while ago a bill that came down from the State Department to the House of Representatives—and for which I spoke upon this floor, and which was afterward passed—and when it was passed was repudiated, or practically repudiated, by the State Department.

I listened with the greatest of interest and earnestness to what the very able gentleman from Arkansas [Mr. DRIVER] said here, and I am a warm admirer and respecter of his, but, Mr. Speaker, if the change in Hawaii's organic law is asked on account of a crime committed a year or two ago in these islands or on account of two or three incidents which have occurred since that time, we might very well look to ourselves, because I have been in the islands and I know something about conditions there. I know these islands are law-abiding, far more, I would say, than almost any section of the United States with which I am acquainted. In all the history of these islands there have been no such barbarous crimes as we have seen committed North and South, East and West, in this country of ours during many years past. If for the reason of that crime alone we are singling out a single incident against the people of these islands in order to justify ourselves in giving to them an alien Governor—alien, at least, in the sense of coming from continental United States—it is not a good reason. This is not a good excuse. These people are a law-abiding people. I was on the great island of Hawaii, large as the State of Connecticut, not long ago, and I do not know how exact this information may be, but I was told that in 20 years past there has been but one murder committed upon that island by a Filipino who had killed his employer, and who was promptly tried and sentenced for his crime.

The islands are, of course, as the gentleman from Arkansas said, of the utmost importance to the United States. Is it not of the utmost importance to us that we yield some respect to the wishes of their people, that we select from out of the great body of descendants of missionaries and other people of fine American stock who are living in those islands today a Governor who will know and who will have the opportunity of judging what is best for the people of this beautiful part of our country? [Applause.]

Mr. ELTSE of California said:

Mr. Speaker and Members of the House, I would appeal to you gentlemen of the House as I would appeal to a jury, and I would qualify you as I would qualify a juror by asking you if you will give fair and impartial consideration to the evidence. If there is no evidence, you, as jurors, should find against the petitioner. There is no evidence, and there was none before the committee.

These islands were, as has been stated, annexed to the United States in 1898. The organic act was adopted in 1900. Section 5 of the organic act provides that the Constitution and all the laws of the United States which are not locally inapplicable shall have the same force and effect within said Territory as elsewhere in the United States. Thereby the Constitution of the United States became the Constitution of the islands, and the laws of the United States became the laws of the islands.

Now, section 4 provides that all persons who were residents of the Republic of Hawaii on August 12, 1898 "and all the citizens of the United States, who shall hereafter reside in the Territory of Hawaii for 1 year, shall be citizens of the Territory of Hawaii."

The gentleman from Mississippi said there was no contract or covenant with the people of Hawaii and that there was nothing in the organic act in relation to the qualifications of the Governor. Let me read from section 66:

"He"—

That is, the Governor—

"shall be not less than 35 years of age; he shall be a citizen of the Territory of Hawaii."

Therefore no one could be Governor unless he had resided there for 1 year or more.

In 1921 section 66 of the act was amended by inserting after the provision that the Governor shall be a citizen of the Territory of Hawaii the requirement that he shall have resided therein 3 years next preceding his appointment in lieu of the 1 year residential requirement.

There was a reason for the amendment of that act in 1921. The principal reason was that L. E. Pinkham had been appointed Governor and he was not a bona fide resident of Hawaii at the time of appointment. He had been in the Philippine Islands and China gathering up coolie labor for the sugar plantations, and when he was appointed Governor he brought with him a lot of carpetbaggers, with resulting misrule and dissatisfaction. That was the principal reason why the act was amended.

Now, it is proposed to allow the President to appoint someone from the mainland. It is perfectly obvious that the appointment is to be given a mainlander, else the power would not be sought.

The other day the gentleman from Arkansas [Mr. RAGON] referred to the Constitution of the United States as being dressed with the silver buckles, the powdered wigs, and long stockings of 150 years ago. Gentlemen, you have been stripping the Constitution of the United States every day since this session began. Here today you propose to further strip the Constitution of the United States as it relates to the people of Hawaii by appointing a man from the mainland, taking away its protection from the people of the islands.

The purpose of the Constitution of the United States was to establish justice. What justice is there in taking away from the islands their Governor? The purpose of the Constitution was to insure domestic tranquillity. How do you insure domestic tranquillity by appointing a man from the mainland? How do you secure the blessings of liberty to the Hawaiians by giving to the President the power to take away their Governor and appoint an outsider?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 815) to provide for the survival of certain actions in favor of the United States.

The message also announced that the House had passed a joint resolution (H.J.Res. 207) requiring agricultural products to be shipped in vessels of the United States where the Reconstruction Finance Corporation finances the exporting of such products, in which it requested the concurrence of the Senate.

PRESIDENTIAL APPROVALS

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On June 14, 1933:

S. 1514. An act authorizing the Administrator of Veterans' Affairs to convey certain lands to Harrison County, Miss.;

S. 1536. An act giving credit for water charges paid on damaged land; and

S. 1648. An act to amend the Reconstruction Finance Corporation Act, as amended, to provide for loans to closed building-and-loan associations.

On June 15, 1933:

S. 554. An act providing for per capita payments to the Seminole Indians in Oklahoma from funds standing to their credit in the Treasury;

S. 687. An act providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.;

S. 804. An act to authorize the Secretary of War to grant a right of way to The Dalles Bridge Co.;

S. 1425. An act 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;

S. 1650. An act amending section 74 of the Judicial Code, as amended (U.S.C., Annotated, title 28, sec. 147);

S. 1747. An act granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across Alsea Bay at or near Waldport, Lincoln County, Oreg.;

S. 1808. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary in 1936 of the independence of Texas, and of the noble and heroic sacrifices of her pioneers, whose revered memory has been an inspiration to her sons and daughters during the past century; and

S. 1813. An act providing for the sale to Joe Graham Post, No. 119, American Legion, of the lands lying within the Ship Island Military Reservation in the State of Mississippi.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. BYRNES. Mr. President, will the Senator from Wisconsin yield to permit me to present a conference report?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for that purpose?

Mr. LA FOLLETTE. I yield.

Mr. BYRNES. I present a conference report, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14 and 15.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$319,230,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "$581,988,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "$602,838,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "$631,802,546"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to Senate amendment numbered 47, and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment to the amendment of the House to Senate amendment numbered 47 insert the following:

"SEC. 20. The President is hereby authorized under the provisions of Public Law No. 2, Seventy-third Congress, to establish such number of special boards (the majority of the members of which were not in the employ of the Veterans' Administration at the date of enactment of this act) as he may deem necessary to review all claims (where the veteran entered service prior to November 11, 1918, and whose disability is not the result of his own misconduct), in which presumptive service-connection has heretofore been granted under the World War Veterans' Act, 1924, as amended, wherein payments were being made on March 20, 1933, and which are held not service-connected under the regulations issued pursuant to Public Law No. 2, Seventy-third Congress. Members of such boards may be appointed without regard to the Civil Service laws and regulations, and their compensation fixed without regard to the Classification Act of 1923, as amended. Such special boards shall determine, on all available evidence, the question whether service connection shall be granted under the provisions of the regulations issued pursuant to Public Law No. 2, Seventy-third Congress (notwithstanding the evidence may not clearly demonstrate the existence of the disease or any specific clinical findings within the terms of or period prescribed by regulation 1, part 1, subparagraph (c), or instruction no. 2, regulation no. 1, issued under Public Law No. 2, Seventy-third Congress), and shall in their decisions resolve all reasonable doubts in favor of the veteran, the burden of proof in such cases being on the Government.

"Notwithstanding the provisions of section 17, title I, Public, No. 2, Seventy-third Congress, any claim for yearly renewable term insurance on which premiums were paid to the date of death of the insured and any claim for pension, compensation allowance, or emergency officers' retirement pay under the provisions of laws repealed by said section 17 wherein claim was duly filed prior to March 20, 1933, may be adjudicated by the Veterans' Administration on the proofs and evidence received by the Veterans' Administration prior to March 20, 1933, and any person found entitled to the benefits claimed shall be paid such benefits in accordance with and in the amounts provided by such prior laws, provided that the payments hereby authorized to be made shall continue only to include June 30, 1933, and only one original adjudicatory action and one appeal may be had in such cases. Where a veteran died prior to March 20, 1933, under conditions which warrant the payment of, or reimbursement for, burial expenses, such payment or reimbursement may be made in accordance with the laws in effect prior to March 20, 1933, provided that claim for such payment or reimbursement must be filed within 3 months from the date of passage of this act.

"Notwithstanding the provisions of Public Law No. 2, Seventy-third Congress, the decisions of such special boards shall be final in such cases, subject to such appellate procedure as the President may prescribe, and, except for fraud, mistake, or misrepresentation, 75 percent of the payments being made on March 20, 1933, therein shall continue to October 31, 1933, or the date of special board decision, whichever is the earlier date: *Provided*, That where any case is pending before any one of the special boards on October 31, 1933, the President may provide for extending the time of payment until decision can be rendered. The President shall prescribe such rules governing reviews and hearings as may be deemed advisable. Payment of salaries

and expenses of such boards and personnel assigned thereto shall be paid out of and in accordance with appropriations for the Veterans' Administration.

"Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, in no event shall the rates of compensation payable for directly service-connected disabilities to those veterans who entered the active military or naval service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, where they were, except by fraud, mistake, or misrepresentation, in receipt of compensation on March 20, 1933, be reduced more than 25 percent, except in accordance with the regulations issued under Public Law No. 2, Seventy-third Congress, pertaining to Federal employees, hospitalized cases, and cases of beneficiaries residing outside of the continental limits of the United States; and in no event shall death compensation, except by fraud, mistake, or misrepresentation, being paid to widows, children, and dependent parents of deceased World War veterans under the World War Veterans' Act of 1924, as amended, on March 20, 1933, be reduced or discontinued, whether the death of the veteran on whose account compensation is being paid was directly or presumptively connected with service.

"Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, any veteran of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, who served 90 days or more, was honorably discharged from the service, is 55 years of age or over, is 50 percent disabled, and in need as defined by the President, shall be paid a pension of not less than $15 per month."

And the Senate agree to the same.

CARTER GLASS,
JAMES F. BYRNES,
RICHARD B. RUSSELL, Jr.,
Managers on the part of the Senate.

C. A. WOODRUM,
JOHN J. BOYLAN,
J. P. BUCHANAN,
Managers on the part of the House.

The VICE PRESIDENT. The Senator from South Carolina asks unanimous consent for the present consideration of the conference report. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRNES. Mr. President, in explanation of the conference report I desire to occupy but a few minutes of the time of the Senate.

The House recedes from its position opposing the amendment of the Senate which authorized the Attorney General to compromise insurance claims or cases brought by veterans under the Renewable Term Insurance Act. Ex-service men have insisted that the Attorney General should be given that authority in order that these cases may be disposed of. The Senate insisted upon its position, and the House receded.

The first of the other two amendments of importance in dispute between the two Houses is the Black amendment. The Senate receded from the Black amendment. The Senator from Oregon [Mr. STEIWER], who has demonstrated to the Senate his familiarity with the regulations and the laws affecting veterans, was of the opinion that under the existing law the President has the right to take care of the situation in great measure, and had a conference with the Senator from Alabama, at which I was not present, but as a result of which the Senate conferees receded from that amendment.

Senate amendment no. 47 is the amendment discussed by the Senate the greater part of yesterday. The Senate recedes, and the amendment presented to the Senate is the House amendment. Added to it is the amendment that I offered in the Senate yesterday, to which the conferees on the part of the House tonight agreed; so that amendment no. 47 represents the House compromise and the so-called "Byrnes amendment" added to the House compromise.

That, I think, is a statement of the items which were in dispute between the two Houses, and which have been agreed to by the conferees.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. STEIWER. Mr. President, I do not desire the floor. I rose to ask a question of the Senator from South Carolina. He has just stated with respect to amendment no. 47, which was called the "Connally amendment" at one time——

Mr. BYRNES. Before we go to that, may I ask the Senator from Oregon as to amendment no. 15, the so-called "Black amendment", if I have made a correct statement of the Senator's position with reference to that amendment?

Mr. STEIWER. I think so, Mr. President.

Mr. BYRNES. If I did not, I should like to have the Senator inform the Senate as to his views on the subject.

Mr. STEIWER. I wish the Senator from Alabama were here, but I am quite certain that when he reaches the Chamber he will confirm the statement which has been made already by the Senator from South Carolina.

I want to address to the Senator from South Carolina a question of some little importance, I think, with respect to amendment numbered 47. I understood the Senator to say that that amendment now is before the Senate upon the House compromise, so called, plus the Byrnes amendment. Also, as I heard the clerk read at the desk, I thought I heard him read the Byrnes amendment. I ask now, by what parliamentary action has the Byrnes amendment been incorporated in the House amendment?

Mr. BYRNES. Mr. President, by the action of the conferees in agreeing to the amendment of the House with the Byrnes amendment. It is a question of legislation, and it was agreed to by the conferees.

Mr. STEIWER. Do I understand, then, that the House conferees are taking their amendment back to the House with the Byrnes amendment as an amendment thereto?

Mr. BYRNES. No, Mr. President; I do not so understand it; and I do not think the Senator from Oregon really is under that impression at all. In the conference, the amendment being legislation, the conferees agreed upon the amendment as it is now contained in the conference report.

Mr. STEIWER. It would follow, then, that the House must take action in order to express its agreement to the Byrnes amendment. Am I right in that understanding?

Mr. CLARK. Mr. President, as I understand the situation, there was disagreement between the two Houses on the subject of various amendments. A conference between the Houses was agreed to. The stage has now been arrived at where amendments are not before either House, but a conference report is before both Houses, which must be voted up or down.

Mr. BYRNES. That is correct.

Mr. CLARK. The various preceding stages of amendments have been blotted out by the appointment of conferees and partial agreement on the conference report. I should like to ask the Senator from South Carolina whether that is correct or not.

Mr. BYRNES. That is a correct statement as I understand the situation.

Mr. STEIWER. I thank the Senator. I assume that is a correct statement, but I was somewhat perturbed because, so far as I could learn, the House has not up to this time agreed to the Byrnes amendment. That proposal has never been before the House. It was agreed to here yesterday afternoon as a perfecting amendment to the House amendment while it was under consideration in the Senate. Thereafter a substitute was agreed to, and the House amendment as perfected was not taken back to the House; but, as I understand it, the Senate amendment was taken to the House, a motion was made to recede and to concur, and that motion was defeated. Thereupon another motion was made, that the bill be sent back to conference. I think that is a correct statement.

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

Mr. BYRNES. I yield.

Mr. ROBINSON of Arkansas. It is my impression that the House instructed its conferees this afternoon to incorporate the Byrnes amendment in the House amendment.

Mr. BYRNES. Mr. President, that is a correct statement; and this amendment was legislation, so the conferees included in this amendment the so-called "Byrnes amendment." It is now part of the conference report, and will have to be acted upon by the House and the Senate.

Mr. CLARK. Mr. President, if the Senator will yield, there is no amendment before the Senate. There is a conference report before the Senate, which includes the Byrnes amendment to the original House amendment. It does not make any difference how the Byrnes amendment got in there. The Senate has before it the one proposition of a conference report, which must be voted up or down, and that does include the Byrnes amendment.

Mr. BYRNES. Mr. President, the House will have an opportunity to act upon it when the conference report is presented to the House.

Mr. BARKLEY. Mr. President, so far as the House is concerned, I understood that, by a roll-call vote in the House today, they disagreed to the so-called "Steiwer amendment"; that thereafter they instructed the House conferees to agree to the original House compromise plus the Byrnes amendment.

Mr. STEIWER. Mr. President, I want to interrupt the Senator there. By what legislative action did the House instruct the House conferees? I heard the statement made by the Senator from Arkansas and I know he believed it to be true, but I am told by Representatives who are here in this Chamber that that statement is incorrect, and that no legislative action of any kind was taken upon the subject.

Mr. BARKLEY. I was not in the House, of course——

Mr. STEIWER. Nor was I.

Mr. BARKLEY. And I do not know by what procedure it was done; but, aside from that, the area of difference between the House proposal, which is the so-called "House compromise", and the amendment which was debated yesterday in the Senate, offered by the Senator from Oregon, was sufficiently wide to enable the conferees to agree to the Byrnes amendment, regardless of any action on the part of the House.

Mr. STEIWER. I agree with that fully; and in the light of that statement I should like to ask my friend the Senator from South Carolina whether or not in fact the conferees did agree to incorporate the Byrnes amendment upon the House amendment, and to report the amendment as amended to the House and Senate?

Mr. BYRNES. There is no doubt about it; and the majority of the conferees signed the report exactly as the Senator from Oregon has stated it.

Mr. STEIWER. We may, therefore, imply the agreement from the signatures?

Mr. BYRNES. Certainly. If the conferees signed it, I presume there is no doubt about the agreement.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. CUTTING. Mr. President, I want to ask the Senator from South Carolina a question. I think it is very important that we should know whether or not the House instructed its conferees, or whether the House allowed its conferees to go into a free and unhampered conference. I think that question should be determined right now.

Mr. BYRNES. Mr. President, so far as I am concerned, as far as my information goes, I will say to the Senator from New Mexico that in the conference there was no statement made as to any instructions to the conferees, but the whole question being before the conference, after a conference lasting for an hour or an hour and a half, an agreement was arrived at by the conferees of the House and Senate which is included in the report which has been sent to the desk. I did not inquire of the House conferees as to their instructions, as to what limitations, if any, were made, but the conference report was agreed upon, and the House will have to act upon it.

Mr. ROBINSON of Arkansas. Mr. President, I find upon investigation that, while the matter was discussed, there was no instruction given by the House to its conferees with respect to the so-called "Byrnes amendment."

Mr. CONNALLY. Mr. President, will the Senator from South Carolina yield to me?

Mr. BYRNES. I yield to the Senator from New Mexico first, and then I will yield to the Senator from Texas.

Mr. CUTTING. If the Senator will be so kind as to favor me, my understanding is, then, that both sides were equally free to enter upon an agreement?

Mr. BYRNES. So far as my information goes, we were.

Mr. CUTTING. And that the agreement which was reached was to adopt the exact proposition which was defeated on the floor of this Chamber last night?

Mr. BYRNES. That is a correct statement.

Mr. CONNALLY. Mr. President, in answer to the Senator from New Mexico, is it not true that irrespective of whether the House took any action on the so-called "Byrnes amendment" or not, or whether even the Senate did, the question at issue was, on the one hand, the House amendment, and, on the other hand, the Steiwer amendment, and any ground between those two would be a proper basis of settlement?

Mr. BYRNES. There is not the slightest doubt about it.

Mr. CONNALLY. And that is what the conferees did?

Mr. BYRNES. In a free conference, with the position of the Senate on the Steiwer-Cutting amendment and the position of the House, the conferees entered into a conference, as a result of which an agreement was arrived at, which agreement was expressed in the report which is before the Senate.

Mr. CONNALLY. Mr. President, I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. What is the status of the legislation?

The VICE PRESIDENT. The Chair understands the parliamentary situation with reference to these amendments to be this: The House passed an appropriation bill, it was sent to the Senate, and the Senate put certain amendments on the bill, some of which were of a legislative character. The bill went back to the House, the House disagreed to the Senate amendments, and requested a conference, which request was acceded to. A conference was held, an agreement was reached on certain amendments, and the report adopted by both Houses, and a conference held on the amendments in disagreement.

Now the conferees have brought back a completed report. If the Senate agrees to it, the House must then pass on the conference report.

I think it will be found that that is the parliamentary situation.

Mr. BARKLEY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. This is the situation, as I understand it. An appropriation bill came to the Senate, the Senate added the Connally amendment, it went back to the House, and the House agreed to the so-called "House compromise" as a substitute for the Connally amendment. That action was brought back to the Senate, the Senate then substituted the Steiwer amendment for the House compromise, and that was the situation when it went to conference.

The VICE PRESIDENT. That is correct as to Senate amendment no. 47, which deals with the veterans' compensation.

Mr. STEIWER. Mr. President, I desire to detain the Senate very briefly to explain some recent developments in the matter which is now before us.

On yesterday evening the Senate, by a vote of 51 to 39, agreed to the Senate substitute for the House amendment. That agreement was reached after extended debate. It was reached after some preliminary consideration of a motion to instruct the conferees of the Senate.

In the debate, at the time of its beginning and subsequently, and upon yesterday, many Senators expressed themselves with respect to this subject. In addition to the 51 Senators who voted for the Senate substitute there were 3 or 4 others who very frankly expressed their disapproval

of the House amendment. They declared it to be wholly inadequate. They characterized it in different ways. They made it clear that they were not in favor of the House amendment.

A number of Senators argued against the substitute because they said the House amendment was all that could be gotten and that if they voted for the substitute, the bill would meet an Executive veto. In that fashion a number of Senators were dissuaded from supporting the Senate substitute. Nevertheless, it was agreed to in this body by an affirmative vote of 51 Senators.

The report was taken to the House of Representatives today and every Senator here knows the history of today's transactions as well as I. I will state, however, that the Democrats in the House held a caucus, and as a result of that caucus a party alinement was effected, and by that party alinement, and the support of seven or eight Republicans, the House declined to concur in the Senate substitute. Inferentially, their vote not to concur was a vote of insistence upon their own proposition. With that understanding, the bill went back to conference this afternoon.

At that conference, after some little discussion, it was decided that the Senate conferees would recede upon amendment numbered 47, which presently embraces the Senate substitute. In keeping with that action, the conferees have brought this report to the Senate.

The clerk in reading the report did not read the names of those Senators who signed it. I desire to state, for myself and for the Senator from Maine [Mr. HALE], the two minority conferees for the Senate, that we declined to sign the report. It does not bear our signatures.

We are now confronted with the question of whether we shall accept the House provision with the amendment offered here yesterday by the Senator from South Carolina [Mr. BYRNES]. We are now asked to take the House language as amended; to take the same language the Senate has characterized as inadequate; the same language which we rejected yesterday by a vote of 51 to 39. We are asked to accept and approve a proposition that has not been strengthened in any respect at all.

Mr. LONG. Mr. President——

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

Mr. STEIWER. I yield.

Mr. LONG. I wish to tell the Senator that he is mistaken. The conferees even took out the Dill amendment, and propose to give the Senator less than we voted down last night.

Mr. STEIWER. That is true, Mr. President, but the conferees in their omnipotence—and I use that word in a very cordial and good-natured manner—so far as I know, did not discuss the Dill amendment. If it were not an impropriety—and I think it is not—it is almost true to say they did not discuss the Byrnes amendment. The House conferees simply insisted upon the amendment of the House of Representatives.

I think I am right in saying that there has not been an "i" dotted or a "t" crossed, there has not been a correction made even in respect to formal language. There has not been an ambiguity clarified; there has not been one change made in that amendment from the time it was first formulated in conference between the President of the United States and an unauthorized House committee until this moment. It is, nevertheless, the formula that is written for us to take.

I regard it as an absolute repudiation of the sentiment expressed in this body some days ago when Senator after Senator rose in his seat and expressed his most heartfelt and sincere disapproval of the administration of Public Law No. 2. I regard it as a betrayal of the veterans of this country, because, Mr. President, the assurance that we started to give them of protection, that was promised to them by earlier action in this body, has been entirely abandoned, and we are sending this proposal back to the Executive with not one substantial limitation in it; not one substantial safeguard against drastic and ruthless cuts in the pensions of the veterans of our wars.

Public Law No. 2, which we call "the Economy Act", still stands. It is not impaired in any substantial respect. The authority to the Executive is not impaired; the limitations upon the Director of the Budget Bureau are not impaired. The right and authority of the Veterans' Administration itself to review cases and to cut pensions is not substantially affected.

I think I ought to express some exception to my own statement, because there is a degree of protection there for certain widows and orphans, and there is protection against a cut in the "rate of compensation payable", but the amount of compensation that is to be paid in the service-connected cases is not protected by this language. The rights upon the pension rolls of the presumptively connected cases are not protected. On the contrary, we know now that the 33,000 totally disabled cases, presumptively connected, on our rolls, 33,000 helpless crippled soldiers of our country, are sent to the reviewing boards for the express purpose of being removed from the pension roll. Within 3 or 4 months they will be removed—indigent some of them, sick all of them, helpless most of them—back to their communities, back to charity, and we by our votes, if we agree to this conference report, are going to make beggars of those American heroes. Somebody some day is going to be held responsible for that ruthless action. I shall not detain the Senate to discuss that further. I have made this statement because I want the Senate to know the exact situation as one of its conferees sees that situation.

Mr. BYRNES. Mr. President——

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

Mr. STEIWER. I yield to the Senator from South Carolina.

Mr. BYRNES. I should like to ask if the Senator will not agree with me with reference to his statement that the Dill amendment and the Byrnes amendment were not discussed at length in the conference, that the conferees did discuss at length the Steiwer-Cutting amendment and the position of the Senate in regard to it?

Mr. STEIWER. The conferees did discuss at considerable length one line, on page 4, of the Senate substitute. They permitted me to express my views with respect to the construction of the words, "Rates of compensation payable to veterans." They listened very courteously to me, and I suppose we spent three quarters of an hour in our consideration of that phraseology, but the Senator will recall that outside of that one line, line 7, there was practically no discussion of the Senate substitute.

Mr. BYRNES. Mr. President, the Senator will agree, will he not, that there was no desire expressed on the part of anyone in the conference to limit the discussion; but, on the contrary, the statement was made after three quarters of an hour or an hour's discussion that the question was understood by the conferees and a vote might as well be taken.

Mr. STEIWER. I think it is true, Mr. President, that the question was understood by the conferees. I tried to make it plain to them, and I think I did make it plain to them; I believe the question was understood by the conferees and that those conferees who signed the conference report did it with their eyes wide open, with full knowledge of what they were doing, and that they are bound to accept the responsibility that is going to result from the action which has been taken. I want to exculpate myself from that responsibility, Mr. President.

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

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

Mr. STEIWER. I yield.

Mr. CLARK. I should like to ask the Senator from Oregon whether he has ever discovered any parliamentary method by which one body of the Congress, standing alone,

can impose its will on the other body of Congress and on the President of the United States? That is the situation with which we are confronted.

Mr. STEIWER. I am told that over the years the Senate nearly always has receded, and I agree with the Senator that one body of Congress is in a quite helpless position when it finds itself alined against the other body of Congress and, in addition, is opposed by the will of the President of the United States. That is especially true when the Congress enacts such a law as Public, No. 2, against which the Senator from Missouri and the Senator from Oregon cast their votes. That is the law by which there was conferred upon the Executive powers which are absolutely legislative in their nature, and when the Congress conferred on the Executive the power to make rates, the power to make rules and regulations, to fix the order of proof, and to determine the effect of presumption—when they conferred those powers, I say they conferred upon the Executive all the legislative power they possessed upon that subject. I took occasion to say at that time that Congress would regret its action; that that power would never be recalled except by a two-thirds vote. The power has not been recalled, and it will not be recalled until the American people rise up in their wrath and cry out against the outrages that are being committed in the name of economy. I think the Senator from Missouri is quite right, that we are helpless.

Mr. CLARK rose.

Mr. STEIWER. Does the Senator desire me to yield to him again?

Mr. CLARK. If the Senator from Oregon will yield, I wish to say that I agree thoroughly with what he says about that proposition. He and I made up 2 of the willful 13 that voted against the economy bill; but we are facing now, Mr. President, a very practical situation. Having granted away the power to make these regulations, there is no power on the face of the earth that can override the bill of the President except a two-thirds majority in each House. I do not think the Senator from Oregon or any other Member on the floor of either body will say that we could muster two thirds of each body for the Steiwer-Cutting amendment. That being true, the matter having gone to conferees, the conferees as reasonable men, recognizing the situation, having agreed to take what the Congress can now get, so far as I am concerned, Mr. President, I shall follow the same course that I followed last night.

In my days in the Army I found that there was nothing that was more obnoxious to the soldiers than countermarching, when the commanding officer got off the line of march, and led his command off into the bypaths, the path back being four times as long as the march out. Now the Senate is in this position, that last night it marched up the hill knowing full well that tonight it would have to march back down again. So far as I am concerned, I do not like countermarching, and, therefore, last night, very much to my regret, I did not vote for the Steiwer-Cutting amendment, much as I am in favor of it; and I think the Senate might as well recognize the situation that by the passage of the Economy Act they put the whip in the President's hands and ought not to complain when he uses it.

Mr. NORRIS and Mr. LONG addressed the Chair.

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

Mr. STEIWER. I will yield the floor in just a moment.

I do not want to debate at this late hour with the Senator from Missouri with respect to the question of countermarching, but I can assure him, for the sake of his own state of mind, that he will not have to countermarch, because he did not vote with the majority of the Senate last night; and if he proposes to stand with the President tonight, he can still vote against relief for his comrades in arms and he will not be in the position of countermarching. I will say, Mr. President, that, so far as I am concerned, I shall not countermarch, and I doubt very much if Senators who are sitting upon this side of the aisle will countermarch when the vote is called tonight.

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

Mr. STEIWER. I yield.

Mr. CLARK. I should like to ask the Senator from Oregon, whose position throughout this matter has been very consistent and with whom I have cooperated at every opportunity, if he really has any notion that whatever action the Senate takes tonight, if it still insists upon his amendment, will, in the long run, benefit the veterans of the United States?

I should like to ask the Senator from Oregon whether he does not know that, in view of the President's open statement of an impending veto, the House compromise is the absolute maximum we can get for the veterans of the United States, no matter what action the Senate may take?

Mr. STEIWER. If that be true, Mr. President, as the Senator implies that it is, it is because the Members of this body and the body at the other end of the Capitol have surrendered their independence of action and their several individual judgments to the President upon this question.

Mr. CLARK. Mr. President, I thoroughly agree with the Senator as to that; but we did that last March on another bill, not on this bill.

Mr. STEIWER. Mr. President, I do not want to prolong this part of the discussion; I think it is of very little value in the consideration of the question before the Senate.

I feel under obligations to the Senator from South Carolina to refer to amendment no. 15. I note that the Senator from Alabama [Mr. BLACK] is now in the Chamber, and I think that he will coincide in what I am saying. The conferees did consider that amendment, which is the same amendment that caused the bill to be sent back to conference day before yesterday. We found that the House had voted against the amendment by a vote of something like 6 to 1, as I remember the figures, and we were advised that there was no chance to secure the adoption of the Senate's proposal. A substitute proposal was offered by a House conferee, and I am sure that they would have given it full and fair consideration if we had desired that they do so; but I reached the conclusion, as I am quite certain that the Senator from Alabama reached the conclusion, that there was nothing of value in the proposed substitute, and that it would be better for the Senate to recede entirely, inasmuch as it could not obtain an agreement to the Senate amendment.

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

Mr. STEIWER. The Senator from Alabama having risen, I will yield the floor at this time.

Mr. BLACK. I simply desire to make a statement in regard to the amendment. I can make it now without asking the question of the Senator from Oregon which I had in mind.

I desire to state that I do not believe the House this afternoon voted 6 to 1 against the amendment. As a matter of fact, I was told by at least a dozen Members of the House that they did not vote against the amendment at all. I was told by them that they voted for the amendment with an amendment, which was read by some Representative from the floor. I understood them to say Representative WOODRUM.

With reference to the substitute to which reference has been made by the Senator from Oregon, I desire to state that I did see the proposed substitute. I would much prefer to have the law as it is. The substitute did nothing except further to restrict the rights of the veterans. It was not an expansion of their rights. It was a curtailment of their rights insofar as hospitalization is concerned, and certainly I was not willing myself to agree to a substitute which, instead of giving the veterans the right to go to a hospital, would further curtail their rights in that regard.

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

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

Mr. BLACK. I yield.

Mr. LONG. If the Senator will pardon me, when I met him this afternoon I understood him to tell me the House had accepted the amendment of the Senator from Alabama.

Mr. BLACK. I will say to the Senator that I did state that because I had been told so by five or six Representatives, who told me they voted overwhelmingly to accept my amendment; but later I was informed differently, and I went over to the House and found two or three conflicting stories. To be perfectly frank, from the confusion that existed there I judge they thought they had accepted it. [Laughter.]

Mr. President, I desire to take 2 or 3 minutes of the time of the Senate on the conference report. I promise the Senate not to take any more. I wish to read from a book called "Looking Forward", which has been published recently. On page 101 of that book I find the following:

> There is little possibility of argument over the idea that a healthy people is the most valuable asset a State can have. It transcends in importance all material wealth. But the enlargement of service is a potent influence upon the cost figure. Aside from the $300,000 purchase of radium, the State spent for health activities about $3,200,000, more than twice as much as in 1922. Excluding institutional costs, the department proper cost $965,000 more in 1931 than it did 10 years earlier.
>
> Generally, that increase represents developments which have taken place since the time not many years ago when we decided that public health was purchasable. By spending certain sums of money we know that we can purchase for the whole population a larger degree of freedom from particular diseases, such as malaria, yellow fever, typhoid fever, and even tuberculosis.

I find that in a chapter entitled "Expenditure and Taxation", in a book recently published and written by the present President of the United States. I read that, Mr. President, for the reason that, insofar as the right to put the veterans into hospitals is concerned, no amendment is necessary. That right exists now.

I invite the attention of the Senate to the authority which is granted to the President to utilize facilities for veterans in the hospitals as set forth on page 2 of the Economy Act, section 6. It will be recalled that when the economy bill was up, on the last night of its consideration, the Senator from Mississippi [Mr. HARRISON] had it in charge, but I called his attention to the fact that by striking out six words at the end of section 6 it would authorize the use of veterans' hospitals for the veterans of the Nation. I asked the Senator if he would accept an amendment to that effect.

This brought on considerable discussion, and it soon developed that there did not seem to be a Senator who believed that we should enact a law which would make it impossible to use the hospital facilities for veterans. After it became manifest, the Senator in charge of the measure, and who, I am sure, agreed that it should be the law, accepted the proposal and we struck those words from the bill. As it now reads, the President of the United States has the right to use the hospitals for all purposes as stated therein "and medical and hospital treatment for diseases or injuries." In other words, in addition to the pensions provided in that title the Administrator of Veterans' Affairs is authorized to give treatment and medical and hospital treatment for diseases or injuries. As the bill was originally written there was a limitation at the end of the provision which read, "except for service-connected disabilities."

I read this statement from the President of the United States in order to show that there reposes in him the power to utilize the hospitals of the country for the veterans. I read it in order that I may show from his own language that he has long since recognized that public health must be preserved. I have no doubt, since that matter has reached his attention through this fight, that he will issue the proper regulations to utilize the hospitals for the veterans of the country.

I believe, if we were to put it to a vote in the Senate tonight, there would not be a single dissenting voice. If we should say, "Let those who favor using the veterans' hospitals for sick soldiers rise to their feet", I believe there would not be one Senator who would remain in his seat.

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

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

Mr. BLACK. I yield.

Mr. BARKLEY. The Senator will recall that soon after the passage of the economy bill there was a wide-spread rumor throughout the country which reached us here that many of the hospitals would be closed. Following that rumor I took up that matter with the Veterans' Administration and with the executive department having those hospitals in charge.

I was very much gratified to learn that no hospital up to that time had been closed and that it was contemplated to close not more than one and possibly not even one of the hospitals. I mention that to make the statement that it seemed inconceivable to me that the department of the Government having the matter in charge would take that attitude toward keeping the hospitals open and yet not utilize their facilities for the treatment of our ex-service men. I think what they intend to do is to utilize them to the fullest extent.

Mr. BLACK. I agree with the Senator.

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

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

Mr. BLACK. I yield.

Mr. BYRNES. I did not see the Senator from Alabama this afternoon when he came to the Appropriations Committee room to confer with the Senator from Oregon [Mr. STEIWER] and other conferees, but inasmuch as it has been mentioned and we have had a discussion about what took place, may I say that the Senator from Oregon called to the attention of the conferees, when I was presenting an argument in favor of the position of the Senator from Alabama, that under the existing law the President has the power to accomplish what the Senator from Alabama has in mind.

The law provides that in addition to the pensions provided in that title, the Administrator of Veterans' Affairs is authorized, under such limitations as may be prescribed by the President and within the limits of existing Veterans' Administration facilities, to furnish the veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disability, tuberculosis, or neuropsychiatric ills, and medical and hospital treatment for diseases or injuries.

I must admit that when that provision was called to my attention I did not know such provision was in the law, but it does give to the President the power to utilize the beds in the hospitals for the treatment of veterans suffering from diseases of any character. I do not think any other construction can be placed upon the provision.

Mr. BLACK. The Senator is correct.

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

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

Mr. BLACK. I yield.

Mr. CLARK. I am going to vote for the conference report because I think it is all we can get, but I do not want to let the statement of the Senator from South Carolina go in the RECORD without the statement that I think a mere permissive authority to the present Veterans' Administration is not worth the paper on which it is written. If I knew a way in which the Senate of the United States could write a provision into the law to make it mandatory, as the Senator from Alabama proposes, I should like very much to do it. I believe as long as the President is being advised by the present Administrator of Veterans' Affairs, that a mere permissive authority is not worth the paper upon which it is written.

Mr. BYRNES. The question was discussed at some length. Of course, I regarded myself as under a mandate of the Senate to present the views of the Senator from Alabama. The conferees were of the opinion as to the position of the House that this power existed; that there were many other things involved in it because the amendment of the Senate would have permitted the hospitalization of some cases that were not entitled to hospitalization in the opinion of the Senator from Alabama, as I understood his views. The

House insisted upon its position after the Senator from Oregon took the position that he did, and the Senate receded.

Mr. BLACK. Mr. President, I have already used more time than I had expected to use, owing to interruptions.

Mr. WHEELER. Mr. President, will the Senator yield before he proceeds?

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

Mr. BLACK. I yield.

Mr. WHEELER. Of course, the President has the power to utilize these hospitals, as the Senator says. Likewise, the administration has the power not to cut the veterans as they have been cut. But the thing that has brought on the trouble at the present time has been the fact that the Congress of the United States placed the power in the hands of the administration to cut these veterans; and then, as I believe everybody on the floor of the Senate tonight believes, regardless of how they are going to vote, the Veterans' Administration have been cruel and inhuman in their treatment and the cuts they have made upon these unfortunate victims of the World War. It does seem to me that the President and the Veterans' Administration are making a very serious mistake in not permitting some definite legislation to be enacted preventing the misuse of these tremendous powers that have been given to the Veterans' Administration.

It was with a great deal of hesitation that I voted against the wishes of the administration on yesterday, because of the fact that I have a real affection for the President of the United States. I should have liked to go along with him; but I think the administration is making one of the most serious mistakes it has ever made, and I think the Congress of the United States ought to stand up and correct these abuses.

As far as I am concerned, after deliberate consideration of the matter, I desire to say that I am not one of those who are going to travel up the road and then travel back again. I am going to vote against this conference report.

Mr. BLACK. Mr. President, I shall use only a few more minutes with reference to this suggestion. I should have finished already if it had not been that I have been interrupted. I desire to say just one or two more words.

It is true that the President has this right. Unless I am wrong, unless I have been wrong heretofore about the political philosophy and the ideals of social justice of the President of the United States, he will now, since this matter has been called to his attention, correct these abuses. I do not believe he will permit beds that were built to be used by sick soldiers to remain vacant, nor do I believe he will allow these beds to be diverted for the use of members of the Civilian Conservation Corps.

While I have that idea concerning the political philosophy and the conception of social justice of the President of the United States, I must frankly admit that I do not have that idea with reference to some of those who have been advising in connection with the administration of veterans' affairs. I do not think the matter of writing regulations for the veterans of this country should be left in the hands of those who, by their past experience and by their past history, have proved that they are unfriendly to the veterans who served in the World War.

Mr. President, since the President already has this power, and I admit that my amendment could have affected the matter by mandatory provisions only to the extent of $1,000,000; since I believe the matter certainly must now have reached beyond those advisers—something I have been unable to secure heretofore—and has reached the President, I believe that before a week is past—and I confess that I shall be gravely disappointed if this prophecy is not correct—the regulations will be changed, and that these beds which now are either unoccupied or used by civilians for whom they were not built will be used for sick veterans who were ready to serve their country in time of war.

Mr. President, with reference to the vote on this proposal, I voted for the Steiwer amendment because I believed it was the better of the two. I still believe it. I make that statement as one who does not believe in paying money as subsidies, either to large shipping interests, ocean mail contractors, or malingerers on the veterans' roll. I have no sympathy for those who get on the veterans' roll by fraud, who do not deserve to be there. I have the utmost sympathy for the veteran who has fought for his country and who has been wounded in battle, who has a service-connected disability; and I mean to continue to vote, every time I have the opportunity, to treat him generously and well. I think I was one of eight Senators in this body who voted originally against the non-service-connected pension. One of the reasons why I did it was because I believed it was not rendering a service to the veterans. I did not think then the bill should be passed. I thought it was too early in the life of the veterans; and I believe my judgment at that time has been confirmed by the experience through which we have gone.

If I thought it were possible, however, to stay here and enact the Steiwer amendment, I should vote against the conference report. Men must realize practical situations. It is not possible. It will do the veterans no good. It will but arouse further the antagonism which has been built up in this country until sometimes it seems that to have served your country in time of war brings on odium instead of honor.

I am not willing to be responsible at this time for continuing a useless and a futile contest. I give full credit to the honor, to the integrity, and to the fair motives of those who hold the contrary belief. I give the same credit to the President. I credit him with the same idea of absolute fairness in the position he has assumed with reference to these regulations.

Believing that the Steiwer amendment is better than the provision of the conference report, but believing that it is an absolutely hopeless and futile task to stay here and wage warfare until the veterans themselves are injured by the futility of the effort, insofar as I am concerned, believing it to be for the best interests of the men with whom I served in the Army, many of whom I know now to be in destitution and want—believing it to be for their best interests that we accept this, which is surely plainly the best that can be obtained at this session of Congress, I shall vote in favor of the conference report.

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

Mr. BLACK. I yield.

Mr. NEELY. What is the title of the volume from which the Senator read?

Mr. BLACK. Looking Forward.

Mr. NEELY. I hope it will not be considered an unpardonable transgression for me to say that I think that volume should be carefully preserved, because during the next 3 years it will afford more pleasant reading than any volume entitled "Looking Backward", which chronicles the heartbreaking tragedies in the lives of the disabled veterans which will be caused by the discontinuance or reduction of the compensation which they now receive from the Government.

Mr. GLASS. Mr. President, if I were the President of the United States, under the authority granted me by the Economy Act I would not dream of going as far as the Senator from Oregon [Mr. STEIWER] has agreed to go, and cut 25 percent from the compensation of any veteran whose disability might be directly referred to service in the Army.

As I took occasion to state yesterday, I would cheerfully join with other Senators and Members of Congress in increasing taxes and dealing to the very limit of generosity with those men who were wounded, or whose disability may be referred to actual service in the Army.

I am a little puzzled to understand why there should be such obvious suspicion of the nature of the President of the United States. I have not been in communication with him on this subject, nor has he communicated with me; but, as I have known him for a score of years or more, there is no more warm-hearted, sympathetic, humane person on the face of the earth than Franklin D. Roosevelt. Why it should be persistently suspected that if this matter were left

to his judgment and his humane instincts he would deal unjustly or harshly with the veterans of any war whose disabilities may be referred to actual service is beyond my conception, unless it finds its explanation in a partisan attempt to embarrass the President.

Mr. BORAH. Mr. President——

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

Mr. GLASS. I do.

Mr. BORAH. I think perhaps some of that suspicion arises out of the fact that it is believed that the President has not been and will not be able to give very much personal attention to this matter. We know that some great wrongs have occurred, and we assume that they have occurred by reason of the fact that the President has not had an opportunity to deal with the matter in person.

Mr. GLASS. They may have occurred because the President has not had an opportunity to give personal attention to these matters; but it is inconceivable to me that the President will not give his personal attention to these matters, after what has transpired in both Houses of Congress, after the bitter controversy over this particular matter. I believe he will give his personal attention, and I believe he will do it to the very limit of his humane nature and his spirit of generosity toward those whose disabilities may be related to actual service.

Mr. BORAH. It occurs to me that if he does change the program, he will have to change some of his agents.

Mr. GLASS. Very well; then let him change some of his agents. I think if he regards it as necessary to be just to the veterans, he will change some of his agents. Therefore, it had puzzled me to understand the persistent suspicion of the President of the United States.

The conferees on the part of the Senate could have had no knowledge of what transpired in the House of Representatives except that based upon the representation of the conferees of the House. The conferees will recall that I distinctly asked the conferees of the House if they would agree to any modification whatsoever of the attitude taken by the House as expressed in its vote on the Steiwer amendment. I think the conferees listened very patiently for nearly 2 hours to the Senator from Oregon, who occupied four fifths of our time in undertaking to adjust the matter according to his peculiar views. There was telephone call after telephone call to those who will be charged with the administration of the law; and at no time could the Senator from Oregon get agreement from those who were consulted that his interpretation of the exact phrasing of the law was the correct interpretation.

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

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

Mr. GLASS. Cheerfully.

Mr. STEIWER. Can he tell us who was consulted aside from Mr. Douglas, the Director of the Bureau of the Budget?

Mr. GLASS. I know that the Senator from South Carolina called a man named Roberts, counsel for the Veterans' Administration. I know that he called Hines, the Director of the Bureau.

Mr. STEIWER. Is it the Senator's understanding that he talked to Mr. Hines?

Mr. GLASS. I do not know whether he did or not. I did not overhear his conversation.

Mr. BYRNES. Mr. President, if the Senator from Virginia will yield to me, I did not; but I did discuss the matter with counsel of the Veterans' Administration, Mr. Roberts; not with General Hines. The Senator from Virginia was right; I tried to reach General Hines.

Mr. STEIWER. I understood that.

Mr. BYRNES. And later spoke to Mr. Roberts as to our discussion about the interpretation of the language.

Mr. STEIWER. I understood that, and I understood that the Senator talked only to Mr. Roberts and to Mr. Douglas.

Mr. BYRNES. That is correct.

Mr. GLASS. At all events, I am sure the Senator from Oregon will admit that we sat with becoming patience for nearly 2 hours and listened to his construction of the exact phrasing of the language, and that we could not reach an agreement with him.

Mr. STEIWER. Will the Senator yield once more? Then I promise not to interrupt him.

Mr. GLASS. Certainly; as often as the Senator desires.

Mr. STEIWER. I want to advise the Senator that it may have seemed like 2 hours to the Senator from Virginia, but I was not in the conference 2 hours, and during the time I was there we discussed three or four amendments, and every member of the conference committee did quite a little talking. I have been more loquacious on this subject than I usually am, but I think the Senator will bear witness that I am not particularly loquacious.

Mr. GLASS. I simply undertake to acquit myself. I think the Senator did most of the talking. I am not saying that in disparagement of him, because he talks entertainingly, but on this occasion not convincingly. The only talking I did, I think, was of a very practical nature. The Senator will recall that I asked the conferees on the part of the House if they were unalterably opposed to any change in the attitude of the House, and they said they were. What else was there to do then but to reach an agreement, unless we want to continue here discussing this matter?

I confess readily and cheerfully, and with some amusement, that I may have thought that the time was a little drawn out, because I had heard the Senator from Oregon say everything on the floor of the Senate that he said in conference, and it seemed to me like a repetition of a contention with which others of us could not agree.

Mr. CUTTING. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Virginia yield to the Senator from New Mexico?

Mr. GLASS. I yield.

Mr. CUTTING. Was the Senator able to refute the arguments presented by the Senator from Oregon in the conference committee? If he was, I wish he would give the Senate the benefit of his views.

Mr. GLASS. Oh, no; I refrain from talking about matters with which I am not intimately connected. I never have done so in either branch of the Congress for 30 years.

It so happened that I was charged with banking legislation while this matter was pending, and it enabled me to wish off this awful job on my colleague the Senator from South Carolina [Mr. BYRNES]. The Senator from Oregon made no argument which appealed to my judgment in the conference committee. If he had made a convincing argument, I would have taken his part, but he did not, and therefore I signed the report.

Mr. CUTTING. Mr. President, the Senator first tells us that he has not given the study to the subject which would enable him to refute the arguments of the Senator from Oregon——

Mr. GLASS. If I have ordinary intelligence, the Senator from Oregon made no argument which appealed to me.

Mr. CUTTING. Then it is very strange that no Senator on the other side of the Chamber or on this side has stood up and tried to refute a single one of the arguments presented by the Senator from Oregon.

Mr. GLASS. The Senator is mistaken. The Senator from South Carolina and the Senator from Oregon and the Senator from Texas engaged here for an hour yesterday afternoon in undertaking to determine the exact meaning of the text of this proposed act. I heard all of that. While I say I gave no intimate attention to this problem, it does not mean that I am so stupid that I cannot understand an argument that goes on in the Senate or in conference committee.

Mr. CUTTING. Is the Senator capable now of giving us the substance of that argument?

The PRESIDING OFFICER. The Senator from New Mexico must address the Chair.

Mr. GLASS. In substance, the argument on the part of the Senator from Oregon was that the text of this proposed

act discriminated against veterans whose disabilities might be related to actual service, and the argument on the other side was that it did not do anything of the kind.

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

Mr. GLASS. Certainly.

Mr. STEIWER. It causes me considerable pain to have to tell the Senator that that was not my contention at all.

Mr. GLASS. If the Senator wants to confess that he did not know what he was talking about, I will let it go at that. [Laughter.]

I beg pardon of the Senate for taking any of its time at all. I feel rather culpable, because I am Chairman of the Committee on Appropriations, and chairman of this particular subcommittee, and I wished this job off on my colleague because I had other important matters to attend to.

I just want to say this in conclusion: The Senator from Oregon suggested that somebody was not willing to assume the responsibility for his action in the conference committee, and I want to assure him, for myself and my two colleagues on this side, that we are quite as willing to assume responsibility for signing the report as he is for assuming responsibility for not signing it. As I said a while ago, he has gone far beyond my own attitude if I had the decision of this matter.

In the matter of administrative economy, I would not cut one thrip off the allowance given to a soldier whose disability may be related to actual service. On the other hand, I would not give a penny to the hundreds of thousands who have been put on the rolls who may not relate their disability, if they have any disability—it is chiefly presumption and not disability—who may not relate their disability to actual service in the cause of their country.

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

Mr. GLASS. I yield.

Mr. CUTTING. Then, why on June 23, 1930, did the Senator from Virginia vote for a bill extending the presumptive period from 5 years to 10 years?

Mr. GLASS. Because, perhaps, I did not know as much about it then as I know now. [Laughter.]

I have already tried to indicate to the Senator that I have been all this session so absorbed with banking legislation of tremendous importance that I have not been able to give careful and intimate attention to other problems. I have given so much attention to that legislation that I have nearly lost my life in application to that particular work. But I want it distinctly understood that I signed this conference report, and I resent the suggestion that I do not want to assume responsibility for signing it. I do assume full responsibility for signing it, because the matter had resolved itself into a practical proposition; that is, whether we are to adjourn Congress, or are we to stay here with this interminable controversy between the two Houses of Congress and the President of the United States?

VICTORY OVER THE HELPLESS

Mr. LONG. Mr. President, I am not unmindful of the very peculiar situation with which we are presented. I would hesitate to offer parliamentary advice to the distinguished Senator from Missouri, who has been connected with the Congress for so many years, or to the distinguished Senator from Alabama, but they tell us we are confronted with a situation in which we can do no better for the veterans. They tell us that unless we get two thirds of the votes of both Houses we cannot accomplish anything against the President.

Mr. President, I assume the responsibility of saying that a majority of the Senate can have its way in this matter. I say that a majority of the Senate can put the Steiwer amendment in the law and keep it there if we have the manhood and the stamina and the courage of our convictions to stand where we ought to stand tonight. All we have to do is to put the amendment back onto this bill, and when the bill comes back with it taken out put it back on the bill, and every time the House of Representatives takes it off, yielding to the demands of the administration, all we have to do is to have a majority of the votes and again put it back on the bill. If the Government is to run, this amendment should go in the bill and become the law.

Mr. President, why did we suspend the rules here on motion of the Senator from Florida [Mr. TRAMMELL]? In order to put legislation on an appropriation bill. Let us be fair about it. We did it because we knew the United States Government had to have money with which to run the Government. The only reason for putting this amendment on the appropriation bill was that we knew it was necessary that the administration get money enough to run the Government. When we put the Trammell amendment on the bill, we thought it would ride through and become a law, and it will, unless we consent that it be taken off.

Gentlemen argue that the President has such authority that he can veto action of the Senate of the United States, just or unjust, and that therefore we have to yield. I ask whether it is just, under the circumstances, with the enormous whip that has been placed in the hands of the administration, that we should see the widows, and the orphans, and the disabled veterans of the World War; the blind, the crippled, the armless, the legless, imposed upon because we have gone to the unlimited extent, to the unconscionable distance, of granting authority to an Executive against which we can now interpose no bar?

It is said that we made a mistake when we did that. It is said that the President makes a mistake when he uses the power. If the Senators of the United States intend to stand as I will stand, this legislation will be put into the law. We have 96 members here. If 48 out of the 96 will stand as I will stand, I will take the responsibility of saying that the Steiwer amendment will become the law, or I will walk out of the Senate and never try to hold another public office. Let 48 Senators vote as I am going to vote on this matter, and it will be the law, and stay the law, after we have voted it.

The Senator from Missouri intimates it is time to stop fighting, and I have every regard for the Senator from Missouri; he feels as I do about this matter. Many feel that it is time to quit fighting. We fought last night, it is said, we stayed up at night and got up early in the morning, and missed our dinner engagements, and missed everything in the way of entertainment that Washington affords, and therefore we ought to be willing now to give up this terrible fight.

Mr. President, there was once a fight made for America. Twice there was a fight made for America. When soldiers stood in the mud of the trenches up to their waists, and sometimes up to their shoulders, in the World War they were tired, bleeding, wounded, crippled, hungry. But suppose they had given up because they were tired and hungry, bleeding and wounded; where would the Senate of the United States have been tonight? We would not have been sitting here under the Stars and Stripes, Mr. President, if those men had given up because they were tired; yet we are told to give up their fight tonight because we are tired.

Mr. President, I have a very pitiful group of correspondence here from which I want to read just a few lines. I am not going to take up much time tonight. One of them comes here from Washington; and I want to say that I do not take the responsibility for one of these letters; but I will read from them briefly to indicate the temper of the people. This one [exhibiting] comes from my own city of New Orleans:

NEW ORLEANS, *April 13.*

I am a veteran at said hospital as a patient. I am James V. Kennedy, C 1-975-357, who lives at 5328 Laurel Street, city of New Orleans, La. I read in the papers that one of my buddies sent you his teeth.

And I want to state they were contained in a package which I received here, which, at the time, was the object of some laughter among us. One of the veterans wrote in and said, "since they passed this legislation, I will not need my teeth," and sent me a package containing his teeth, which was a joke, and we all laughed at it. But imagine the serious side of it. Here is a poor fellow who read about

my having that set of teeth, and let me read you, who laughed at it, what he writes. Let me show you the serious side of it.

This is the third time I have been a patient here. The first time they extracted 23 of my teeth from November 9 to November 26, 1931; broke a plate I had and never did give me any back.

Honorable sir, will you please send me those teeth of my buddy's.

[Laughter.]

This is a terrible thing, Mr. President, if I do say it:

Honorable sir, will you please send me those teeth of my buddy's and let me file and fit them for my mouth, as I know I am going out of here and will need teeth to get along with.

Here is a man, a veteran of the World War, who has been in a hospital as the result of his injuries; they have had to extract every tooth he had in his mouth, and he is being turned out today, by the mercies of the Honorable Lewis Douglas and of one of the former employees of Bernard M. Baruch, without anything in his mouth to eat with, if he could get anything to eat; and the Senate of the United States is told to hurry, hurry, hurry, and get away in time. God help you to get away in time. Turn these veterans out on the mercies of the world! There is no time to talk; no time to help! We are called upon to hurry, because the administration demands it. Suppose they had been in a hurry, this man and others of his soldier comrades?

I have another letter, which is directed to a colleague of mine, and I have not as yet received his permission to use it, so I will not read it. However, here is one from Durant, Okla., dated June 7, 1933:

The ex-soldiers, farmers, and workers feel that you are one of the ones in the United States Senate that has humanity's interest at heart. The people are getting blood in their eyes. I was at an American Legion meeting last night in Durant. Believe me, they were plenty tough. If some of the Morgan and Mellon men would have been there, they might have spit out a few of their jaw teeth. They are mad over the way Congress and the Senate has done about these compensations and bonus. We are now sorry we fought to make the world safe for democracy. It means this to me: After I spend my last little compensation check, which will be July 1, I will have to take my three little girls, the oldest 12 and the youngest 8 years old, and hitch-hike it up and down the highways, stealing and bumming food, sleeping under Mr. Morgan's, Mellon's, and President Roosevelt's shade trees that they are having set out. I am not the only one that feels that way. Why should we have any respect for them? They do not care if we starve.

Part of this letter, Mr. President, is such that I cannot read any further, I am afraid. I have read a part of it just to show the sentiment. And I can only read a few of these letters without taking too much of the Senate's valuable time.

Here is one from Brooklyn, dated June 14, 1933:

DEAR SENATOR LONG: I am writing you this letter, Senator, as I must thank you for always fighting hard for us crippled vets and also for the workingman—

And so forth—

Honest, Senator, the Democratic Party ought to get rid of Frank Hines, director of the vets affairs. He is too hard-boiled and unjust to the vets who were injured in military service.

Men that were injured in France or became ill while serving in Europe get very little because they are always given fake diagnosis by the doctors of years ago. I myself was sent back from Europe a physical and half-blind wreck. I was given medical discharge and sent home to shift for myself. I was ignorant of my rights; I did not know where to appeal for help until another crippled veteran took me to the Vets' Bureau 2 years after I was discharged and put in a claim for my eyes and nervous trouble. I was paid for a while, then when I became totally blind in 1923, was told that my eyes were not of service origin, that they only made a mistake in diagnosis. Yet in 1918 they called it corneal-opacity.

God Almighty, Senator, do you see how the blind and crippled vets are humbugged by the likes of Frank Hines' office boys? Get rid of Hines and put a man there who is human and just. I am useless now for 15 years. I won't live long, but I don't want to be aggravated into death before my time, the way I have been. What I get really amounts to almost nothing.

The following letter is from Jetmore, Kans., and is dated June 5, 1933:

DEAR SENATOR: As a poor disabled veteran of the World War, I and my wife and seven children want to thank you—

And so forth—

I lost an arm and leg in the war, and I know what it is to suffer.

The people of this section of the United States are not going to forget, and we are not going to see our children and our women starve when there are other ways to get it. I and more than 20 of my friends have armed ourselves and our homes to be prepared for what we know is coming. We gave all we had for our country when she called us, and now our country owes us something to feed our babies on.

Mr. President, without in any respect approving such sentiments, this will give you a cross section of how the veterans of the World War feel, veterans who are crippled, who are blind, who are disabled, who have wives and children to feed and their own maimed, disabled bodies to care for, who are deprived of everything which they have been accustomed to spend for sustenance and a living.

Here is one from Harrisburg, Pa.:

I beg your pardon for writing these few lines, but if I did not write you, I won't have no other way of thanking some of you for the good fight you are putting up for the soldier boys on their pensions. I feel very sorry I won't be able to write thanks to the Senators of my own State, but you know they failed us—

He is somewhat mistaken; the Senators voted with him last night—

so I want to thank you and Senator ROBINSON of Indiana and all the other good Senators. You will never know how much your human-heartedness is appreciated. In this city now what do you think the boys are talking about? It is just this, that they will have another party to vote for by the next election.

I have a letter from Pocatello, Idaho, but there is nothing of particular importance in it.

Here is another letter from New Orleans, which is not out the ordinary, and I can avoid reading it.

I will now read one from Key West, Fla., dated June 5, 1933, and addressed to me.

Unfortunately I am forced to continue in physical torture the rest of my life from a disability brought on by poison gas and exposure. You may learn from my Veterans' Bureau record I have spent 8 or 9 years in hospitals, and a greater part of that time choking half to death, never able to lie down day or night. No one can even imagine this terrible torture I have to endure.

I hope Senators will notice that here is a man who is disabled so badly that he can go to bed neither in the daytime nor in the nighttime.

Hardly a day passes that I do not have to take hypodermics for this condition. Never able to associate with my friends in any gathering for any purpose without bringing on more suffering. One by one I have watched my buddies suffering with this same disease choke to death, and always thinking surely my time will be next, but still they are more fortunate than I, because they will not be here to depend on charity after July 1.

Last week I received a notice from the Veterans' Administration I would be cut from $100 to $20 monthly. I cannot hope to live on this amount without depending on charity. I should think that all Senators and Congressmen who voted for this bill to bring on this condition would bow their heads in shame when they return to their homes and see these disabled men line up in bread lines.

That is a typical case, Mr. President, the case of a man injured in the line of duty, poisoned by gas, who for a period of 9 years has never been able to go to bed during the daytime or during the nighttime, who has had his compensation cut from $100 a month to $20 a month. We know he cannot live on it, and yet we are called upon to go away and leave that kind of thing existing, as it will exist during the months to come. We are told that we cannot do any better. I tell you, Mr. President, that we can.

Here is another letter sent to me by the agent of a life-insurance company:

Last July I brought Schwam to his home here at Shreveport, placed him in his aunt's home here and she has been taking care of him with the assistance of a day and a night attendant. About 2 months ago, his aunt, who is 63 years of age, was stricken with rheumatism in addition to her high blood pressure and the situation is such that I have no place to put Schwam. The general hospitals here will not take a neurotic case.

Schwam's pay is being discontinued June 30 under the recent legislation.

His pay is being entirely discontinued—a man who has a day and a night nurse to take care of him, who has to have two assistants to take care of him while he is existing

practically in a living hell, whose compensation is going to be entirely discontinued on the 30th day of this month, provided we get the Congress away from here! Hasten the adjournment of Congress that the pillage and murder and misery and destruction may continue to be inflicted on people whom the Congress sent away to fight the war for Democracy and who were brought back to this country to suffer under administrative rules prescribed under the heels of Veterans' Bureau autocracy! I will read the remainder of the letter:

And I made application with S. T. Taylor, acting manager of the Veterans' Administration facility at Alexandria, La., for hospitalization of Schwam. Mr. Taylor immediately advised me that due to the fact that Schwam receives his pay for 2 months longer he cannot be placed in a Government hospital.

I have a letter sent to me by the service commissioner of the American Legion of Louisiana. He said:

Frank Louis Roux, of Luling, La., called at our office a few days ago requesting our assistance in having his compensation restored, which was reduced from $67 to $8 a month under the provisions of the Economy Act.

I am advised by Comrade Roux that he received a gunshot wound on the Verdun sector on October 15, 1918, when he and six other members of his company were in a shell hole.

He encloses a photograph, which I am going to ask my friend the Senator from New York [Mr. COPELAND], a distinguished surgeon, to examine. I want him to look at that picture. Here is another picture, and I should like to have him examine it while I read the balance of the letter.

A German shell exploded killing his six comrades and injuring him. Fortunately, he was lying on his stomach at the time of the explosion. He was in the hospital 7 months and was operated on eight times.

I am enclosing an actual photograph of the wound for the reason that a good many Members of Congress were no doubt of the opinion that the Economy Act would not reduce the compensation of those men who received gunshot wounds in service. The veteran advises me that you can show this photograph to as many Members of Congress as you desire.

Assuring you that the veterans appreciate your efforts in their behalf, with kindest regards and best wishes, I remain,

Sincerely yours,

LINDEN DALFERES,
State Service Commissioner.

Mr. President, I am not going to read from anything else I have here nor from any other letters. I would like to ask my friend the Senator from New York if he has had sufficient opportunity to examine the pictures to tell us what he thinks of the compensation of this man having been reduced from $67 a month to $8 a month?

Mr. COPELAND. Mr. President, I should say it was very cruel indeed.

Mr. LONG. I have the pictures here and anyone else can see them who may desire. Here is a photograph of a man cut all over the back, operated on eight times, and his compensation is cut from $67 to $8 a month. The Senator from New York, a distinguished surgeon of this country, gives the answer that it is indeed very cruel to have this man's compensation reduced in the way it has been.

But we are told to go right ahead. My friend the Senator from Missouri [Mr. CLARK] said we went up the hill and now we have to come down the hill. I am not one of those who are coming down the hill. I am going to vote to send this thing back to conference again. I am going to vote to reject the conference report. If the bill is taken back to conference and comes back here again, I am going to vote again to reject it. Then if it does pass and the President vetoes the bill, I am going to vote to override the veto.

If we do not succeed in overriding the veto, and he comes here with a joint resolution to continue last year's appropriations, I am going to vote to tack this thing on to the joint resolution, too. Never by my vote will any government get what it wants until it does justice to the veterans of the World War and the Spanish-American War veterans.

Let me call attention to another thing that has been done: Last night when we voted 51 to 39, there was a Dill amendment in the bill proposing to give better treatment to the Spanish-American War veterans. My friend from Kansas [Mr. MCGILL], I understood, voted for the proposal simply because the Dill amendment was attached to it. Tonight they come with the Dill amendment out of it that we voted into it last night; that is, we would not accept it last night without the Dill amendment. Last night we were unwilling to accept it even with the Dill amendment in it, and tonight they have taken the Dill amendment out of it.

Last night we were not even willing to accept the Byrnes amendment with the Black provision attached to it. The Black amendment provided that in the empty beds in the Government hospitals the veterans of the World War should be treated who now are without hospital treatment. But even that provision has been taken out.

Now, we have the bare proposition, with nothing in the way of compulsion, allowing the veterans of the World War to be subjected to the same treatment that they are now, and practically taking the Spanish-American War veterans off the rolls. Lo and behold, regardless of all that was said here yesterday, they have the temerity to come back with a pauper's oath attached to the Spanish-American War veterans' claims for compensation! They have actually had the courage, they have actually had the fortitude, to come back here with a nefarious, obnoxious, inhuman provision that before a member of the Spanish-American War army can get compensation up to as much as $15 a month he must take a pauper's oath and swear he is absolutely destitute and in need, and he has to prove it. That is what we are called upon to assent to here tonight, and to let this thing go hurly-burly on the wings of speed in order that we can get Congress out of the way.

Why does Congress have to adjourn? What is the hurry? Senators had better stay here if they know how the folks feel back home. [Laughter.] The best thing they can ever do in their lives is to stay right here. They will wish they were back here when they go home. What is the hurry? Why the great hurry? Why should anyone want to leave here? It is not hard for us to stay here. It is not hurting us a bit. We can stick it out here. A few more days will not hurt us. Someone has said that it is not desired to have any discussion of the war debts in Congress. It has been said that the economic conference over there might be disturbed. That is not going to hurt anything. They are not paying much attention to the delegates we sent over there, anyway. [Laughter.] They did not even send a hack down to meet them at the water front when they got there. [Laughter.]

The PRESIDING OFFICER (Mr. KING in the chair). The Chair must again admonish occupants of the galleries that they are here as guests of the Senate and that the rule of the Senate prohibits any demonstrations of approval or disapproval among the occupants of the galleries. The rule will be strictly enforced.

Mr. LONG. Our delegates went over there. One of them is even considered the prime minister of America—and that would have been his job if he had been in England. He got up early in the morning and dressed himself in morning clothes, with striped pants, and a high standing collar that he had to get on a stump to spit over, and if he walked off the side of the boat and thought "Where is the band", he would have been informed that unless he had a brass band inside, there was not a band within 10 miles of where he was standing; so he got in a hack and went up to a boarding house.

Our delegates need not worry about what is going to be the outcome of the Conference. Those fellows over there had it all written out before our fellows got there. It is just taking a little time for our fellows to swallow it, because they have got to learn how to swallow. Does anyone need to tell me that our representatives can get over there one day and settle $75,000,000 worth of debts for 8 cents on the dollar the next day? Nothing of the kind.

They are doing business too fast. We had better remain in session here long enough so they will hesitate and think things over a little bit. Why be afraid of staying here a little while longer? If we will stay here until the President has time to investigate, assuming that he is the kind-hearted man we say he is and that I say he is, if we will stay here until that kind heart has a knowledge and an understanding

of what is going on in this country, he will listen to somebody besides the chief executioners of the Veterans' Administration, and he is bound to come to a realization that these infamous practices should be discontinued and such rules and regulations as are now being followed should be done away with and put out of existence by the Veterans' Administration.

We probably will be beaten on this matter tonight. I have heard it said on the floor of the Senate that all the Democrats have been called up from the White House and asked to vote against the veterans. They may have called up all the rest of them, but they did not call me. [Laughter.] When they call me up, Mr. President—well, I have not been called up today. It makes no difference whether I was called or not, I know these veterans a great deal better than the White House knows them. I know if we are called on as a party matter we are supposed to bow to it as a party matter. We are told the Republicans are practically solid one way and that the Democrats must stand the other way to keep the party from being embarrassed.

I do not look upon it that way. I am fighting for the preservation of the party. I am fighting for the standing of the party. I am fighting to keep the party from making a mistake; and even if I were not, I am not going to allow my hatred for Republicans or my liking for Democrats or anything of the kind to send the citizens of this country who are wounded and disabled and blind, I am not going to send the widows and orphans whose husbands and fathers have left this earth by reason of wounds they received in defense of this country, out into the highways and byways and to the charity bureaus. No one can talk Democracy or Republicanism to me, and they cannot talk party regularity or protecting the party from this great embarrassment, and expect me to take part in driving out upon the streets of the country the orphans of the World War veterans, their widows, nor any of the blind or disabled men who fought the battles of this great country of ours in the World War. It is above Democracy. It is above party.

If Senators will hear me now they will not put the cudgels in the Republican Party's hands to go out into the country and give us a Republican House by about 100 majority. Remember these words. They will not be taken out of the CONGRESSIONAL RECORD. Remember these words. If this travesty and this disgraceful thing is put over on the veterans here tonight, we will have a Republican House or some other kind of proposition if we have any Congress left in November, 1934. That is what is being done here tonight.

I am standing for the party, because I know the party can never forget its obligations to humanity and to the soldiers who have defended us. It was not the Republicans who declared the war. They declared one war, the Spanish-American War, but the Democrats declared the World War. Now we are called upon to participate in a great victory. We are called upon to join our party tonight in a great victory. It will be a great victory. It will be a victory by which the dominant party will triumph over the man who was thrown out of his bed and who has no place to go. That is the great victory we are called upon to share tonight.

Will it be a great victory, Mr. President, when we bring to tears the orphans and children of the veterans in this country, the widows whose husbands and the children whose fathers gave all they had in the defense of their country? We are called upon to share with the party this great victory against the men who have no bed in which to sleep, a victory against the starving men with not a bite to eat, a victory against our disabled and destitute veterans, a victory against the widows and orphans of the Spanish-American War veterans, many of whom died like flies in Florida and others of whom lost their lives in Cuba. That is the great victory we are called upon to participate in tonight.

Some men are great in victory. If I participate in that kind of a victory, then I feel that I shall be in the position of the famous old general who said, "One more victory like this and it will be the end of my regime." Another victory like this will be the end of our Democratic regime.

As a Democrat and as an American I cannot vote as some of my friends say. I would feel as if I were not a Senator. I would feel as if I were not anything like a representative. Shall I stand here and say, "The President will not let me do anything else? I know it is right that we should do this for the veterans, but the President will not let me? I know that we ought to take care of the blind and suffering veterans, but the President will not let me? I know that we ought to do this, yet I am going to vote the other way?" Shall I say we ought to do something that is different, something that is merciful, something that is kind, something that is honorable, but we cannot do it because we do not think the President wants the Congress to stay here any longer? I say to you that if there is a majority of only 1, if there are 49 Senators in this body—and I pause for any Senator to controvert what I am about to say—those 49 Senators in this body can guarantee this legislation.

I do not care what the House does. We have all read of the gag rule under which they have operated. They have a rule over there under which they come in and allow 1 hour for debate——

The PRESIDING OFFICER. The Chair advises the Senator that he may not comment upon the proceedings in the other House or their rules.

Mr. LONG. I cannot talk about the rule of the House?

The PRESIDING OFFICER. Not disadvantageously to the rule of the House.

Mr. LONG. I cannot even mention it? I do not want to speak disrespectfully of them. I just want to state what is the fact. [Laughter.]

The PRESIDING OFFICER. The Senator will proceed. The Chair has reminded him of the rule.

Mr. LONG. At any rate, we will say that in this body, the Senate, if we were operating here under some kind of a proposition by which something is brought out, and we are told to swallow it, and we have 1 hour to prepare to swallow it, if we were to render judgment in that kind of fashion, it would remind me of the old justice of the peace deciding a case. He heard the evidence, and he heard the arguments of counsel, and he said, "Now, gentlemen, the court is going to consider the evidence, and the court is going to consider the law and the arguments of counsel. Now the court is going to adjourn, and the court is going fishing. Then I am coming back here on Thursday 2 weeks from now; and the court, after consideration of the law and the evidence will render judgment in favor of the plaintiff." [Laughter.]

But we are not deliberating that way, gentlemen of the Senate. We have our own time; we have our own course, and the responsibility is ours. We have our own minds to make up. There is not any rule of expediency calling upon us to leave here tonight. Ordinarily I myself should like to leave, but not now. I should like to leave as much as you, maybe; but there is no rule calling upon us to leave here. This can be the law. It ought to be the law, we all admit. I have not heard anyone in the Senate who voted with us to start with who says that he did not vote right so far as the substantive law was concerned. Of all those who voted 3 to 1 to suspend the rules, none has yet gainsaid his vote. Of all those who stood here to suspend the rules in order that legislation might go on an appropriation bill, not one here tonight or at any other time has once said that he did not vote the right way.

Well, why quit now? Why quit tonight? Why quit? Why have it said that last night we voted the right way, being told that we were going to have the bill vetoed, and tonight we floundered and voted the other way? If we were going to change tonight, we could have changed last night. We started out here by saying that we were going to keep this thing on an appropriation bill in order that by that extraordinary process we could make it law. If that was a proper thing to do in the beginning, it is a good thing to do now.

I hope we will be men enough to stand here tonight. I hope we will stand where we stood last night. I hope we

will not go back upon the people who sent us here. I hope we will remember the veterans. I hope we will remember the orphans of those veterans and the widows of those veterans. I hope we will not be led aside, thinking that our own circumstances are such that we must impose upon the veterans something that we are unwilling to impose upon ourselves.

Now, just a word about ourselves and I am through.

We voted to reduce our own salaries 15 percent. Now remember, gentlemen of the Senate, it makes no difference how long we stay here, the Government is paying us—as long as we have a duty to perform the Government is paying us anyway. We are getting just as much money for every day we spend at home as we are getting here; and every hour that we ought to be giving to the relief of anybody in this country we owe it to the people to stay right here and give.

We voted to decrease Government salaries. The President of the United States set a good example. He cut his own salary. He cut his own salary from $75,000 a year to 15 percent less than $75,000 a year, and we cut our own salaries from $10,000 a year to 15 percent below $10,000 a year. That was a gracious thing for us to do. That was a gracious thing for the President to do. It is a gracious thing for the President and for Congress voluntarily, by their own actions and by their own votes, to cut their own salaries 15 percent. It left the President with 15 percent less than $75,000. He gets only about sixty-six or sixty-seven thousand dollars and we get only about $8,500 under this reduction.

But we are called upon now to cut the compensation of men who are wounded, who are hungry, who are disabled. We are called upon to take away the pitiful compensation that is being drawn by widows and by orphans. We are called upon to say whether or not we are going to take our own $10,000 salary, that we would not reduce more than 15 percent, and whether or not the President is going to take his own $75,000 salary, that he would not reduce more than 15 percent, and then take the little widow and two orphan children, who are getting $40 a month, and cut it 65 percent; and take the poor blind man, who is getting $100 a month, and cut that 80 percent; and take the poor devil here who was wounded all over the back, and operated on eight times, and reduce him from $67 to $8 a month. We are called upon to say whether or not it is justice and right under the living, shining stars of heaven to sit here tonight and take away 65, 75, 80, and sometimes 100 percent of the amount that some poor little widow or orphan or wounded veteran is drawing when we are not willing to take away more than 15 percent from our own salaries of $10,000 a year.

That is what we are called upon to say here tonight, gentlemen of the Senate. We are called upon to say whether or not there is such a thing as justice. Some poor little widow, some poor blind man, waiting on himself, waiting for the Reaper to come, and praying that he will come soon enough to relieve him of the distress that he is in; the poor blind devil who lies there, never to see the sun's light again, never to see the face of his child again, starving and hurt and bleeding, praying for the day when the Almighty will take him and relieve him from this distress—we are called upon to say tonight whether we will take $80 out of the little $100 he is getting, and will not take more than $15 out of the hundred dollars we are getting ourselves.

That is what we are called upon to decide.

No; I will not participate in the Democratic victory tonight, Mr. President. I have participated in many Democratic victories and in many Democratic defeats. I have been a participant; but, so help me God, when we have won a victory it has been against strong and stalwart men. It has been against monopolies. It has been against giants of finance. We have grappled with them and won; but I do not care for my share in a victory that means that the poor and the downtrodden, the blind, the helpless, the orphaned, the bleeding, the wounded, the hungry, and the distressed, will be the victims of a victory in which I am to participate in the Senate.

Mr. CUTTING. Mr. President, we are faced tonight with the same proposition with which we have been faced time and time again during the past few weeks. That situation can be expressed in a few words.

The Senate, by decisive vote, adopts a particular course of action. It sends to conference conferees a majority of whom have voted against that action. Then the conferees surrender everything that the Senate has favored.

Let me recall to the Senate the votes in the past few weeks.

On June 2, in the first decisive vote cast in the Senate relative to the veterans, the Senate, by a vote of 59 to 21, decided to suspend the rules and take up the Trammell amendment. The Trammell amendment, may I say again to the Senate, would have kept both the presumptive cases and the directly service-connected cases on the rolls, with a limitation of cut not of 25 percent but of 15 percent.

As I say, the Senate voted 59 to 21. Among the 21 who voted "nay" were Mr. BYRNES and Mr. GLASS.

A few hours later the Senator from Arkansas [Mr. ROBINSON] moved to change the figure of 15, contained in the amendment of the Senator from Florida, to 25. That motion was defeated by a vote of 51 to 25—more than 2 to 1. Among the 25 were Mr. BYRNES and Mr. GLASS.

Later on a controversy arose between those who wanted the full benefit of the Trammell amendment and those who wanted a lesser degree of benefit under the Connally amendment. On this occasion the Connally amendment carried, and carried principally because the Senator from Texas assured the Senate that there was no chance of the Trammell amendment's escaping a veto, and implied strongly that the Connally amendment would not obtain a veto. The tie was broken by the Vice President. Among those who voted for a lesser degree of benefit to the veterans were Mr. BYRNES, Mr. GLASS, and Mr. RUSSELL—the three majority members of the present conference committee.

Last night the Senate took a vote on substituting the amendment proposed by the Senator from Oregon [Mr. STEIWER] and myself for the House amendment as amended by the Senator from South Carolina [Mr. BYRNES]. The yeas were 51; the nays were 39. Among the 39, among the minority, I noticed the names of Mr. BYRNES, Mr. GLASS, and Mr. RUSSELL—the three majority members of the conference committee.

Mr. President, one of these days the Senate of the United States is going to get tired of sending to represent it conferees a majority of whom are avowedly opposed to the will of the Senate. We saw that last week in the votes on the Economy Act. We have seen it time and time again, not only in this session of Congress but in every session since I have been a Member of this body. The result, of course, is minority rule. You come back to this body after surrendering nothing of your own opinions—merely surrendering the opinions of the majority of the Senate, with which you were never in agreement—you come back to this body and present it with a situation where you either have to vote for the conference report or vote against it; and invariably the argument is made, "Oh, but the House conferees insisted on their amendment!"

How can Senate conferees who disbelieve in a Senate amendment make the same kind of a fight which the House conferees can make for an amendment in which they believe?

The Senator from Virginia [Mr. GLASS] has stood on this floor this very evening and told us that he has been too busy with other kinds of legislation to be able to present an intelligent argument on the question which is presented before the Senate tonight. Yet he goes on that conference committee, surrenders the wishes of the Senate, and comes back here and reports to the Senate.

Mr. GLASS. Mr. President——

Mr. CUTTING. Mr. President, I do not yield to the Senator from Virginia.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. CUTTING. Three times yesterday on the floor of the Senate I asked the Senator from Virginia to yield to me, and each time he declined.

Mr. President, I am very fond of the Senator from Virginia, and I think every Senator feels the same way, but I wish to quote from what the Senator from Virginia said yesterday immediately after he declined to yield to me:

> I am going to vote against the proposed amendment—

Said the Senator—

> because I feel that no man who will not fight for his own country is worth living in that country.

That is the reason the Senator from Virginia gave for voting against an amendment which would limit to 25 percent the cuts authorized to be made in combat-connected cases, which gave some scant measure of justice to the Spanish-American veterans, and which gave protection after the 31st of October to men who were on the rolls by presumption.

The Senator went on to say:

> When he comes out of the combat without wounds, without disability, he has no right to raid the Federal Treasury perpetually because he was called into the contest—called in under draft, too, when it was a question of being shot here or shot at abroad. [Laughter.]

Mr. President, with all respect for the Senator from Virginia, I think that word "laughter" is the most disgraceful word which has ever been written into the CONGRESSIONAL RECORD. In other words, the men who were drafted by the Congress of the United States went into the service because, if they were not willing to be shot at abroad, they would be shot at home; and at that somebody is supposed to have laughed.

I sat here while the Senator from Virginia was making his speech. I confess I heard no laughter. I am glad that I did not hear it. I do not know whether the Senator from Virginia revised his remarks in the RECORD or not.

Mr. GLASS. Mr. President, I rise to a point of personal privilege.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLASS. The Senator from New Mexico is making an infamous suggestion with respect to my conduct——

Mr. CUTTING. Mr. President, I am making nothing of the sort.

Mr. GLASS. Which is nothing less than mendacious.

Mr. CUTTING. Mr. President, I call the Senator from Virginia to order under rule XIX.

The PRESIDING OFFICER. The Senator will proceed.

Mr. GLASS. I do not say that under the shelter of constitutional immunity, either. I want the Senator to understand that. I will repeat it to him somewhere else.

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. CUTTING. As I have said, I do not yield to the Senator from Virginia. The Senator from Virginia has just made an accusation of mendacity. I will yield to him for the purpose of stating just what I have said which he so qualifies.

I have read from the RECORD——

Mr. GLASS rose.

The PRESIDING OFFICER. Does the Senator from New Mexico yield?

Mr. GLASS. The Senator has suggested that I interpolated that word "laughter" in the RECORD.

Mr. CUTTING. No; I did not.

Mr. GLASS. The Senator did suggest that.

Mr. CUTTING. Mr. President, I implied nothing of the sort.

Mr. GLASS. Yes; the Senator did.

Mr. CUTTING. If the Senator from Virginia will allow me to proceed, I will tell him what I implied. I implied that if he saw that word "laughter" at that point in his remarks, the most ordinary sense of justice to those who served in the World War should have required him to strike that word from the RECORD.

Mr. GLASS. Mr. President, it should not have done anything of the kind. I am not in the habit of falsifying the RECORD, if the Senator from New Mexico is.

The PRESIDING OFFICER. The Senator from New Mexico will proceed.

Mr. CUTTING. Mr. President, the Senator from Virginia repeatedly on this floor takes advantage of the fact that we are all fond of him and that he is a man who has had a long and distinguished public career. He takes advantage of that fact to insult his colleagues freely.

The PRESIDING OFFICER. The Chair thinks perhaps the Senator is transgressing the rule.

Mr. CUTTING. Mr. President, if I am transgressing the rule, what did the Senator from Virginia do when he accused me of mendacity?

The PRESIDING OFFICER. The Chair suggested that the Senator from New Mexico had the floor and that the Senator should proceed.

Mr. CUTTING. Mr. President, I do not care what the Senator from Virginia has to say with regard to me personally or with regard to any other Member of this body; but when he traduces the entire force which this country sent into the war from 1917 to 1919, then I feel that I for one have to protest against any such thing. So much for the Senator from Virginia.

Mr. President, we are acting under minority rule in this body. It occurs to me that the country is being run by minority rule. Does anyone think that the sentiment of the country is expressed by the House amendment which was agreed to by the conference committee? Does anyone think that the House amendment as agreed to by the conference committee represents even the sentiment of the House? Does not every Member of this body know that the distinguished body at the other end of the Capitol adjourned today in order that there might be a caucus of the majority Members; and caucus rule, of course, as everyone knows, is minority rule, and cannot be anything else. The minority of the majority time and time again is going to be lashed into line, as the Senator from Pennsylvania said yesterday. I did not agree with him yesterday; I am afraid I am going to have to agree with him before the evening is over.

Mr. REED. Cannot the Senator do it right away?

Mr. CUTTING. No, Mr. President; I refuse to prejudge any issue before the votes prove it.

Mr. President, since I have been a member of this body until the present session the party on this side of the Chamber was in the majority. I have often criticized the majority of the Republican Party. I have often voted against them. I voted freely against the majority of this party when I thought they were wrong. I voted against the presidential candidate of this party when I thought he was wrong. I have no apologies to make for that. I have no apologies to make for standing up in this body for what I thought was right.

Why, at this late date, should a caucus of a party at one end or at the other end of the Capitol enforce their will on the membership of the party? Nothing like that, may I say, was ever done by the Republican Party when they were in the majority at any time since I have been a Member of the Senate.

You talk about Democracy, you talk about the principles of Thomas Jefferson. Can you conceive that the methods employed by the leadership of the Democratic Party from the beginning of this session to this day would be approved of by Thomas Jefferson or by any of the men whom the Democratic Party from his time to this has delighted to honor?

Every effort has been made to make this question a partisan issue, although the most ardent friends of the ex-service men at the other end of the Capitol and many of those in this Chamber are Democratic Members. These men have repeatedly fought for the rights of the veterans, regardless of party lines.

The Senate has expressed itself repeatedly. It expressed itself on the Trammell amendment. It expressed itself

against the Robinson amendment. It expressed itself in favor of the amendment submitted by the Senator from Oregon and myself. After all that, what do we get? We are presented tonight with a conference report repeating verbally, without a change, the very proposition which we voted down by such a large majority last night.

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

Mr. CUTTING. I yield.

Mr. LONG. I do not want the Senator to make a mistake. We are not faced with the same thing we voted down last night. They have taken out the hospital amendment, and they have taken out the Dill amendment for the Spanish-American War veteran. We are faced with something which, to that extent, is vastly more repugnant than what we voted down last night.

I know one Senator near me here now who voted for the Byrnes amendment because they put the Dill amendment in it last night, who otherwise would not have voted for it, and tonight they have come back with the Dill amendment taken out, an amendment for the Spanish-American War veterans, and with the hospital amendment taken out, so that even the hospital beds which are empty cannot be used by the veterans of the World War who are disabled and have no place to go.

Mr. CUTTING. I thank the Senator for his suggestion, and in that connection I may read a telegram which I have just received from Asheville, N.C.

Apropos administration veterans' program advise several members Civilian Conservation Corps admitted this hospital receiving full pay. Veterans denied hospitalization and just compensation must be considered. Public uninformed of such inhumane inconsistencies.

S. T. AUXIER.

Mr. President, that is what we are doing with the hospitalization program. I am glad the Senator from Louisiana reminded me of that. I am glad he reminded me also of the amendment offered by the Senator from Washington, which has also gone out in the conference report.

I was very much impressed a few moments ago with a remark made by the Senator from Missouri [Mr. CLARK], when he said that nothing which in its terms was permissive and not mandatory was, under these circumstances, worth the paper it was written on.

I have discussed the House amendment at great length. I do not want to continue to discuss it more than to recapitulate the principal points which I have made against it. I shall, however, read it, and make very brief comments.

The President is hereby authorized, under the provisions of Public Law No. 2, Seventy-third Congress, to establish such number of special boards (the majority of the members of which were not in the employ of the Veterans' Administration at the date of enactment of this act) as he may deem necessary to review all claims (where the veteran entered service prior to November 11, 1918, and whose disability is not the result of his own misconduct) in which presumptive service connection has heretofore been granted under the World War Veterans' Act, 1924, as amended, wherein payments were being made on March 20, 1933, and which are held not service-connected under the regulations issued pursuant to Public Law No. 2, Seventy-third Congress. Members of such boards may be appointed without regard to the Civil Service laws and regulations and their compensation fixed without regard to the Classification Act of 1923, as amended. Such special boards—

I hope the Senate will pay particular attention to this sentence, because no Senator on the floor of this Chamber has made the slightest explanation of its meaning. I have stated that the only interpretation possible is that such boards will act under the provisions of the Economy Act, and yet in violation of the terms of the Economy Act. I still submit that no other explanation can be made. If any Senator desires to interpret it, I shall be glad to yield to him for such interpretation. I shall first read the sentence:

Such special boards shall determine, on all available evidence, the question whether service connection shall be granted under the provisions of the regulations issued pursuant to Public Law No. 2, Seventy-third Congress (notwithstanding the evidence may not clearly demonstrate the existence of the disease or any specific clinical findings within the terms of or period prescribed by regulations 1, part 1, subparagraph (c), or instruction no. 2, regulation no. 1, issued under Public Law No. 2, 73d Cong.), and shall in their decisions resolve all reasonable doubts in favor of the veteran, the burden of proof in such cases being on the Government.

I pause for the purpose of allowing any Senator who can construe that language to do so now, because it is now that we are going to vote on this particular language. [A pause.] Apparently no Senator is prepared to interpret that language.

I shall not quote the next paragraph, which deals with insurance, because there is nothing in it to which anyone of whom I know has any particular objection, but I shall read the third paragraph.

Notwithstanding the provisions of Public Law No. 2, Seventy-third Congress, the decisions of such special boards shall be final in such cases, subject to such appellate procedure as the President may prescribe, and, except for fraud, mistake, or misrepresentations, 75 percent of the payments being made on March 20, 1933, therein shall continue to October 31, 1933, or the date of special board decision, whichever is the earlier date: *Provided*, That where any case is pending before any one of the special boards on October 31, 1933, the President may provide for extending the time of payment until decision can be rendered. The President shall prescribe such rules governing reviews and hearings as may be deemed advisable. Payment of salaries and expenses of such boards and personnel assigned thereto shall be paid out of and in accordance with appropriations for the Veterans' Administration.

All the provisions which I have so far read, Mr. President, apply to the so-called "presumptive cases"; that is, to cases that were placed on the rolls on account of the statutory presumption provided by Congress in the case of particular diseases where, through the nature of the disease, it was impossible to connect the case with service.

Anyone who read that section casually would think that those cases would be kept on the rolls unless the board decided that they ought to be removed, and that if the board decided they should stay on they would continue to receive 75 percent of what they are receiving at the present time, but anyone who studies the language and notes the word "mistake" will realize that the Veterans' Administration would be authorized, by virtue of that word, to call up for review any case whatever, on the plea that the doctors who had originally passed on the case had made a mistake. Undoubtedly such a review would be given in every case which could come before the board. "Seventy-five percent of the payments shall continue." It does not say, as we provided in the Connally amendment or in the amendment of the Senator from Oregon or in the amendment which the Senator from Missouri and I first proposed to the Senate, "not less than 75 percent", but "75 percent." In other words, the onus for making this cut of 25 percent is placed on the Congress of the United States and not on the President or the Director of the Budget or on the Veterans' Bureau.

Furthermore, Mr. President, after October 31, 1933, there is not the slightest guaranty in the House provision that any presumptive case will be kept on the rolls. Even though he may be totally and permanently disabled, even though he may be the most deserving veteran in the United States, he may be thrown off the rolls on October 31. Can anyone on the floor of the Senate or anywhere else justify such a provision as that? We take care of them until the 31st of October, and then we turn them loose on the world.

I have read the debates in the House of Representatives; I have sat on this floor through all the debate in the Senate; I have not heard one word in defense of that provision, and I do not expect to hear a word in defense of it. So much for the presumptive cases.

I come now to the cases which in March the Senate was assured would not be cut down 1 cent, the directly combat-connected cases. The Senator from Massachusetts [Mr. WALSH] in March offered an amendment which we all know unfortunately contained three or four weasel words, "except as to rates." The Senator from Massachusetts then assured the Senate that under the terms of his amendment no veteran whose disabilities were combat-connected would be cut down at all unless there was some justification on account of the change in his condition. But if the Senate had known the way the Bureau was going to interpret this provision, it would not have been satisfied by providing a limitation of

25 percent; it would have insisted at that time that no cut at all should be made in those cases.

Here is the wording with which we are presented under the House amendment:

Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, in no event shall the rates of compensation payable for directly service-connected disabilities to those veterans who entered the active military or naval service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, where they were, except by fraud, mistake, or misrepresentation, in receipt of compensation on March 20, 1933, be reduced more than 25 percent.

I refrain from reading the remainder of the paragraph. The word "mistake" again would allow a review of every one of these cases; it would allow the veterans to be called in by the Veterans' Bureau time and time again; it would allow any board to pass on the medical judgment of men who had made the review at first hand; it would allow them to turn those cases off the rolls altogether; it would allow them to rerate these cases; and, after all, even in the cases which were not thrown out under the excuse of "mistake", the amendment merely provides that the "rates of compensation payable" shall not be cut.

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

Mr. CUTTING. I yield.

Mr. STEIWER. I am sorry the Senator from New Mexico did not read the remainder of the paragraph which he is discussing.

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

Mr. STEIWER. Because I think it throws considerable light upon the interpretation of the language the Senator now has in mind. With apologies to the Senator from Virginia, to whom the discussion of the Senate's position on this subject seems to be a little distressing, and in the time of the Senator who is speaking, let me read the remainder of that language. The last part of the paragraph reads as follows:

In no event shall death compensation, except by fraud, mistake, or misrepresentation, being paid to widows, children—

And I omit some of the language and continue:

be reduced or discontinued.

The purpose of the language which I have just read is to prevent reduction in the death compensation in the cases referred to. The language that is used to convey the thought is a plain, simple, straightforward language that the death compensation may not be reduced or discontinued. There is no reference here to rates of compensation.

The language is in the same paragraph as the language which the Senator from New Mexico is calling into question at this time. It seems to me that the employment of a different kind of phraseology in one and the same paragraph ought to warn every Senator that this proposal, which was born in the Veterans' Administration, is meant to protect the widows and orphans, but is intended to permit that administration to cut the compensation of the veteran.

If the Senator will permit me to go a little further in respect to the matter, in another paragraph which he has already read is a provision that the compensation in the presumptively connected cases shall not be cut pending the time of the review or until October 21, as the case may be. Obviously the purpose there was to prevent any cut greater than 25 percent. Let us see how that language is phrased. It provides, omitting a part of the paragraph, that 75 percent of the payments being made on March 20, 1933, shall continue to October 31, 1933, or the date of the special board's decision, whichever is the earlier date.

In this case the language consists of a plain straightforward declaration that the payment being made on a certain date shall not be cut, and so it is in the third place in this proposal in which there is a limitation upon the reduction in compensation. In two of the instances we find direct and unequivocal language which actually limits the cuts, and the third case is the one the Senator from New Mexico is now discussing, and in that one we find the language that the rate of compensation payable shall not be cut.

It occurs to me, and I think every lawyer will agree, that when in the same instrument distinctions of this kind are made, we have no right to assume that all three phrases have the same meaning. We are on our guard. We know that the employment of special language in a special case has been used in order to do the thing we are told unofficially, by word of mouth, that the Veterans' Administration intends to do and which in my judgment they will do before we are 30 days away from the Capitol.

I thank the Senator.

Mr. CUTTING. Mr. President, I quite agree with the Senator from Oregon. Of course there can be no possible explanation of the words "rates of compensation payable" except that which the Senator has given.

The Senator goes on to say that in the words dealing with the widows and dependents, the clear word "compensation" was used, but I notice that even with regard to the widows and dependents, for whom until this moment I had thought we were providing in this compromise, we still find the words "except by mistake", so that even in the cases of the widows and dependents I submit that every one of them can be reviewed for mistakes. Does the Senator from Oregon agree with me?

Mr. STEIWER. Mr. President, there is no question about it at all. All that remains for us to speculate about is whether or not the Director of the Budget thinks it is a mistake to pay death claims to widows of veterans of our war. If he thinks it is a mistake, they will be discontinued.

Mr. CUTTING. Then the only protection for any human being which I had always thought was in the House compromise is not there. There is not one word of protection for anybody. If we are going to vote tonight on the acceptance of the House proposal we might as well face that fact right now, and then go back home and explain to our people that we voted for something without one word of merit from start to finish, that we voted for something which we knew when we voted for it was a fraud and a sham. That is the record with which we are faced. That is what we are going to have to go home and explain if we accept the conference report tonight.

No one on the floor of the Senate has dared to defend the record made by the Director of the Budget in the handling of straight combat-connected cases. They have been cut down 50, 60, 70, and 80 percent. Cases have been presented here time and time again showing that to be the fact. We do not protect them in this legislation. When we read the press of the country we find that all the arguments made deal with so-called "presumptive cases." We are told that those presumptive cases were not actually due to the service, but that we just legislated them into a pension or compensation.

I shall not go over the entire record of those presumptive cases because most Senators are familiar with it. I think it was in 1924, or shortly thereafter—and the Senator from Pennsylvania [Mr. REED] will correct me if I am in error—that it was found necessary to take some care of those suffering with certain diseases because it was impossible in the nature of things to prove the exact time when those diseases originated.

Mr. REED. It was 1924.

Mr. CUTTING. The Senator from Pennsylvania confirms me in the belief that it was in 1924.

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

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from West Virginia?

Mr. CUTTING. I yield.

Mr. HATFIELD. The Senator from Pennsylvania further stated that after a preponderance of medical evidence they agreed upon a period of 5 years for the presumption. Is not that correct?

Mr. CUTTING. Yes.

Mr. REED. We fixed the definite date of January 1, 1925, as the end of approximately a 5-year period.

Mr. CUTTING. It was approximately 5 years, at any rate.

Mr. HATFIELD. Notwithstanding that the Senator from Pennsylvania through his committee, after a preponderance

of evidence from no doubt outstanding medical men of the country, arrived at that conclusion, notwithstanding that there is not a book in print upon the subject of medicine that will not support the conclusions of the Senator from Pennsylvania upon the subject of presumption, the American Medical Association we are told now takes the position that the presumptive period in the kind of diseases such as tubercular and neuropsychiatric diseases should not extend longer than a period of 2 years. In other words, the American Medical Association repudiates the authorities upon the subject. It is a subterfuge pure and simple, Mr. President, that this association takes at this time upon this important subject which involves the American World War veteran and the Spanish-American War veteran.

The PRESIDING OFFICER. The Chair admonishes the Senator from New Mexico that if he yields except for a question he may lose the floor.

Mr. CUTTING. I shall in the future be guided by the ruling of the Chair.

Mr. President, in 1930 it was found that a great many very pathetic and very deserving cases of men who were not able to trace directly to the service their disability, were in want and need through tuberculosis, through neuropsychiatric disease, and through many other infirmities. A bill at that time was introduced in the House of Representatives by Mr. RANKIN, of Mississippi, to extend the statutory presumption from 1925 to 1930. The Senate Finance Committee, which was then dealing with veterans' affairs, had hearings, and at one of the hearings the distinguished physician who represents the State of West Virginia [Mr. HATFIELD] appeared before the committee and testified in language which to me at least was completely convincing, in language which I have quoted in a great many States in the Union, that the 10-year presumptive period was sounder medically than the 5-year presumptive period.

There may be some doubt about that contention. The contrary was argued by some Senators on the floor, notably, by the Senator from Pennsylvania [Mr. REED], but when the vote came on extending the benefit of presumption from 1925 to 1930 the vote in the Senate stood 66 to 6. There were six Senators who voted against it. They were Messrs. Bingham, Gillette, Hastings, Reed, Walcott, and Watson. Among the 66 Senators who, after a full day of debate in a time when nothing else of any importance was before the Senate, voted to extend the presumption from 5 years to 10 years, I find the following names—and I shall not read them all, but I want to call attention to some of those who are in the Senate today: Mr. ASHURST, Mr. BARKLEY, Mr. BRATTON, Mr. CONNALLY, Mr. DILL, Mr. GEORGE, Mr. GLASS, Mr. HARRISON, Mr. KENDRICK, Mr. MCKELLAR, Mr. ROBINSON of Arkansas, Mr. SHEPPARD, Mr. TYDINGS, and Mr. WAGNER.

Mr. REED. Mr. President, will the Senator tell us who was President then?

Mr. CUTTING. The President of the United States at that time was Mr. Hoover. I am glad the Senator reminded me. [Laughter.] Mr. Hoover vetoed that bill. He stood with the Senator from Pennsylvania and with the six Members of the Senate who voted that way. He stood against the 66 Members of the Senate who voted the other way. There was not a single Member of the Democratic Party who voted the way Mr. Hoover thought they should have voted. That was not a question of cutting down the presumptive period from 5 years to 1 year, as has been done under the Economy Act. That was the proposition of raising the presumptive period from 5 years to 10 years.

I do not think the distinguished Senators who voted that way would like to explain their votes on the ground that at that time the President of the United States belonged to the Republican Party, and that now the President of the United States belongs to the Democratic Party. But let me go on a little further.

Before the vote was taken on the Rankin bill, the Senator from Pennsylvania [Mr. REED] moved a substitute providing that veterans who were disabled to a certain extent could be placed upon the rolls regardless of whether their disability was service-connected or not. That amendment was voted down at the time; but after Mr. Hoover vetoed the Rankin bill, that proposal was put through the House of Representatives and sent to the Senate. It was accepted by the Senate because they felt they could get nothing better. I voted against it; and I am glad to see that then, at any rate, I had the company of the Senator from Virginia [Mr. GLASS]. But before we voted against it, a vote was taken on increasing the rates given to non-service-connected cases. That amendment was proposed by the Senator from Massachusetts [Mr. WALSH]; and among others the following Senators in the then minority, but in the present majority, voted for the amendment of the Senator from Massachusetts to increase the rates on non-service-connected disabilities. These were the disabilities of men who were not to be on the statutory rolls by presumption, but frankly without any connection at all with the service—men who might be run over by an automobile on the street.

Mr. LA FOLLETTE. Mr. President, I hoped the Senator would use that phrase, or the one about being run over by a street car yesterday, because that is the one that is usually quoted in attacking this provision of law.

Mr. CUTTING. That very phrase was used at the time, I will say to the Senator from Wisconsin.

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

Mr. CUTTING. I yield to the Senator from Massachusetts.

Mr. WALSH. The amendment to which the Senator has referred, presented by myself, proposed to apply the Spanish-American War rates.

Mr. CUTTING. To all non-service-connected disabilities.

Mr. WALSH. Of the World War.

Mr. CUTTING. That is quite correct, Mr. President.

The following Senators voted for the increased rate for cases totally unconnected with the service: Mr. ASHURST, Mr. BARKLEY, Mr. CONNALLY, Mr. GEORGE, Mr. GLASS, Mr. HARRISON, Mr. KENDRICK, Mr. MCKELLAR, Mr. SHEPPARD, Mr. TYDINGS, and Mr. WAGNER. The Senator from Arkansas [Mr. ROBINSON] did not vote, but had a pair with the Senator from Pennsylvania [Mr. REED]; and I can only assume, from the opposition of the Senator from Pennsylvania to raising the rates, that the distinguished Senator from Arkansas, who then was the minority floor leader, would have voted in favor of raising the rates on non-service-connected disabilities.

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

Mr. CUTTING. I yield to the Senator.

Mr. WALSH. The Senator is not naming all of the Democrats who voted for that amendment?

Mr. CUTTING. Oh, no.

Mr. WALSH. But only those who voted against his amendment last night?

Mr. CUTTING. Yes; and those who had said they would vote for the conference report tonight. Of course the Senator from Massachusetts voted for his own amendment.

I am not criticizing anyone who voted that way. I voted that way myself.

Mr. WALSH. They showed good judgment. [Laughter.]

Mr. CUTTING. I think so; but that is the record of the Senate, first on presumptive cases, and second on non-service-connected cases.

Now, how in the name of all consistency can the Democratic Party take up as its slogan an opposition not merely to non-service-connected cases which have completely gone off the rolls, except in cases of total and permanent disability, but to presumptive cases which they unanimously voted for when it was a question of extending the presumption from 5 years to 10?

Between 1930 and 1933 there was no veterans' legislation of any significance before this body. So we come to the present session of Congress.

The Economy Act was passed at a time of stress and panic. I criticize no Senator who voted for it. Personally, I was paired against it. I was absent from the city, and unable to get here in time to vote. I submit that since the Economy Act every vote in this body has shown that the Senate disapproved of the cuts in combat-connected cases

altogether, and that it disapproved of the inordinate slashes in the so-called "presumptive cases"—cases of men who were lying helpless in hospitals all over the Union—men who were to be thrown out on the 1st of July with their compensation cut, and unable to support themselves or their families from that time on.

As I said before, on the 2d of June we suspended the rules in order to take up the Trammell amendment, allowing a cut of only 15 percent not merely in cases of directly service connected soldiers but in cases where the connection was traceable through presumption. Among the majority who voted for that amendment I see the names of Mr. ASHURST, Mr. BACHMAN, Mr. GORE, Mr. MCGILL, Mr. MCKELLAR, Mr. POPE, Mr. RUSSELL, Mr. STEPHENS, Mr. THOMAS of Utah, and Mr. VAN NUYS. These distinguished Senators of course knew exactly for what they were voting. They must have desired to bring on the floor of the Senate the matter not only of directly service connected cases but of presumptions.

Later in the day the Senator from Arkansas [Mr. ROBINSON] moved to increase the possible limitation in the cut from 15 to 25 percent. Among those who voted against the Senator from Arkansas—that is, those who would not allow the President to cut these cases more than 15 percent—I see the names of Mr. BACHMAN, Mr. BLACK, Mr. BULKLEY, Mr. DUFFY, Mr. ERICKSON, Mr. MCGILL, Mr. MCKELLAR, Mr. MURPHY, Mr. POPE, Mr. RUSSELL, Mr. THOMAS of Utah, and Mr. VAN NUYS.

These gentlemen, of course, knew that the only issue was whether we should allow the President to cut these cases, including the presumptive cases, to a maximum of 25 percent, or whether we should limit his cuts to 15 percent; and all those gentlemen said that we should reduce the cuts to 15 percent.

We had a debate after that on the relative merits of the Connally amendment and the Trammell amendment. The decision on that issue was reached only after it had been pointed out that one amendment would be vetoed and the other one would not be vetoed. The vote on that amendment, I submit, was a meaningless vote, because Senators in the best of faith might have voted either way with equal motives of assisting the disabled ex-service men.

It is unfortunate that the Senate did not take a record vote on the Trammell amendment as amended by the Connally amendment. If it had, I do not believe five Members of this body would have been recorded as voting against it. Of course, that is guesswork. There was not a single audible "no" in this Chamber when the question was put.

Before and since that vote was taken we have been given assurances of what was going to be done by the Veterans' Administration and by the Director of the Budget. These assurances have come from Senators acting in the best of faith on this floor, and in every case the administration has failed to live up to the promises made by its representatives here in the Senate. At last we were told that a committee of the House had been meeting at the White House with Mr. Douglas, the Director of the Budget, and that they had reached a fair compromise. We were told that that compromise would protect every combat-connected case from being cut more than 25 percent. We were told that that compromise would protect the presumptive cases until and unless a board of review had stricken them from the rolls.

When I got that information, Mr. President, I rejoiced, because I thought that there at last we were going to get some protection for the veterans of our wars, or at least for the veterans of the World War.

It was not until this miserable provision came down here and I had a chance to read it for myself and analyze it that I realized that it gave no protection either to the combat-connected cases or to the presumptive cases.

When I discovered that, I felt, and I know that the Senator from Oregon [Mr. STEIWER] felt, that we had no alternative except to expose this sham before the Senate and offer a substitute of our own.

For several hours the Senator from Oregon and myself engaged the attention of those Members of the Senate who were willing to listen to the argument. We dissected this provision word by word, showed the meaninglessness and the fraud involved in it. Nobody has answered those criticisms; nobody has stood up here and defended the House provision.

At the request of several Senators, on last Monday the Senator from Oregon and I withdrew the amendment and allowed the question to go to conference, on the distinct understanding that it would come back here and that we should have a vote. At that time, even those who spoke in favor of sending the amendment back to conference said that under no circumstances would they ever accept the House provision.

I quote from the Senator from Alabama [Mr. BLACK]:

> I want it distinctly understood, insofar as my own vote is concerned, that it is not to be construed as a vote in favor of the House proposal. If that is brought back to the Senate by the conferees, I shall vote against the conference report.

The Senator from South Carolina [Mr. SMITH] spoke as follows:

> Mr. President, I join the Senator from Alabama in saying that if the conferees do not do justice to the men who have served our country in the final test of a man's loyalty to his government, I, for one, shall resist any compromise that approximates what the House has sent here.

Mr. GEORGE, the Senator from Georgia, than whom there is no better friend of the ex-service man on the floor, spoke as follows:

> I had concluded that I should vote for the Cutting-Steiwer amendment, but in the interest of a free conference, and believing that it is quite possible for the conferees, if they are left free, to reach a satisfactory agreement between the Senate amendment and the amendment made by the House, I shall vote against instructing the conferees.

The Senator from Georgia proceeded:

> I think there is nothing to be gained by a lack of candor. The Senate, in my judgment, will not accept the House amendment as the House has submitted it to the conference, and unless there is some effort to reach an agreement which will deal more liberally with the veterans, particularly the Spanish-American War veterans, who are left wholly to Executive order, when the conferees report here the report would be rejected, notwithstanding the fact that we are anxious to adjourn finally and go to our respective homes.

If any Senator spoke in favor of accepting the House proposal on Monday, I have been unable to find his remarks in the RECORD. It seemed to be the unanimous sentiment of the Senate that, whatever else we accepted, and whatever compromise our conferees might be able to obtain for us, there was one thing we would not do—we would never under any circumstances accept the House provision. No Senator at that time rose to his feet and said that he would accept the House provision, and no Senator at that time suggested one single argument against the amendment offered by the Senator from Oregon and myself.

The conferees went back to conference; they came back here and submitted the old House provisions, with a few additional provisions taking care of Spanish-American War veterans over 55, whom the President or somebody designated by the President was to rate as 50 percent disabled and in need—qualifications which made the whole thing meaningless—and they gave those veterans of the Spanish-American War a pension of $15 a month, a very generous pension, indeed, in times when we may be facing inflation.

The argument was made all day on this subject. Not one word of argument came from the Democratic side of the Chamber, or from anywhere else in this Chamber, against the amendment submitted by the Senator from Oregon and myself, except about two sentences which the Senator from Arkansas read off of a piece of paper. All the rest of the discussion dealt with the possibility that the House would not accept our provision, with the possibility, or, as some stated it, the certainty, that the President would veto the Steiwer-Cutting amendment, things which were entirely foreign to the argument, things which had nothing to do with our duty as Senators to cast our votes for the things we believed in.

As I just said, the Senator from Arkansas did read a word or two from a piece of paper, after discussing the foreign debts and other extraneous matters at some length.

He has made the disclosure—

Said the Senator from Arkansas; "he" meaning the President—

I have discussed the matter with him repeatedly, and during the last 2 days have sought to find some way of composing this controversy. The President is perfectly willing to take the responsibility. He does not base his opposition to the amendment so much on the amount of money that is involved as upon what he designates "a principle."

Thereupon the Senator from Arkansas took up a piece of paper and read as follows:

The fundamental objection to the Steiwer amendment, according to the President, is that it would preserve the 6-year period of presumption and restore to the rolls practically all presumptive cases, regardless of the fact that their disabilities cannot be traced as a matter of fact or of medical knowledge to the military service. The American Medical Association has supported the presumption of 2 years which is contemplated by the President's regulation.

The Senator from Arkansas made that criticism regardless of the fact that in 1930 he had voted for a 10-year period of presumption.

The second feature of the Steiwer amendment—

The Senator from Arkansas continued to read—

which the President regards as objectionable is that it would restore to the rolls more than 75,000 Spanish-American War veterans, quite irrespective of service connection or need or degree of disability.

Those two paragraphs contain all the criticism which was submitted against the Steiwer-Cutting amendment on the floor of the Senate on that day or on any other day. That provision has been before the Senate since Monday. On Monday morning it was printed and on the desk of every Senator, and last night the Senate adopted it by a vote of 51 to 39.

Mr. President, that is the record. I do not see how it could possibly be clearer. I do not see how anyone in a political campaign or at any other time can distort those very simple facts. The Senate is on record, has been on record since 1924, in favor of this presumption which we are now told is a grave mistake and justifies the cutting of these men off the rolls.

Mr. President, that argument might have been perfectly valid in 1924. In 1924 any Senator might have stood on this floor and said that the presumption was contrary to the best medical opinion; that it should not go on the statute books and that he would not stand for legislating a lie; but we are in a very different position in 1933. These men to whom the law declared compensation would be given, whom we placed upon the rolls without any necessity for establishing the service connection of their disabilities, have been compensated by the Government, have been kept alive, and their families have been kept alive from 1924 until 1933.

I know the Government is not legally bound to keep its contract with anybody, but these men who suffered in the service of the United States, these men whom the Government and the Congress of the United States drafted to fight our battles in time of need, considered it a moral contract, and I consider it a moral contract, Mr. President, and there is not a veteran who ever dreamed that his Government would at some future date cut him off the rolls unless he could establish by direct and conclusive proof the service connection of his disabilities.

Perhaps he could have done it in 1924, yet it is quite possible that the same man would be totally unable to prove the service connection of his disabilities 9 years afterward, when the men who fought with him may be dead, when the men who had the next beds to his in the hospital may be dead. Even the widows and dependents of men who have died, who have no possible way of establishing the service connection and who do not know the comrades of their dead husbands, may still be cut off the rolls under the Economy Act, and they may still be cut off the rolls under this infamous House proposal if some doctor says that they were on the rolls by mistake.

Mr. HATFIELD. Mr. President——

Mr. CUTTING. There was a ruling by the Chair a little while ago that I could not yield except for a question.

The VICE PRESIDENT. The Senator may yield for a question.

Mr. CUTTING. I yield for a question.

Mr. HATFIELD. Is it not a fact that this is the first time in the history of our Government that it has repudiated its contract with or its obligation to the soldiers?

Mr. CUTTING. I think so, Mr. President. If there have been any similar cases, I do not know of them. I think it is a terrible precedent to establish. These presumptive cases, these cases where the pensioners have been held up to the country as grafters, panhandlers, and "garbage-can grenadiers"—to use the language of a Baltimore evening newspaper which was recently presented to me—are today suffering more intensely perhaps than any other men in the United States. If it could be definitely established that their disease was not connected with the service, even then, Mr. President, they are human beings; they are suffering human beings, whom the Congress of the United States 9 years ago promised to take care of. They did not place themselves on the rolls; they are on the rolls because we passed legislation here stating that we would take care of those men regardless of whether or not they could prove direct service-connection.

I showed the Senate a few days ago the picture of one of them, a man with one lung, and that infected with tuberculosis. I asked the Senator from West Virginia [Mr. HATFIELD] and the Senator from New York [Mr. COPELAND] to examine this man, to study his history, and to make a report on the case. They did so, and reported that, in their opinion, there could not be the slightest doubt that his should have been not a presumptive but a directly service-connected case.

I have been told during the course of the day that some evidence has been presented by the Veterans' Administration which would discredit the case of this man. I have always found, Mr. President, that in cases of suffering veterans whenever examination is made and then whenever criticism is made by the name of the case, time and time again evidence is produced, often doctored, often distorted, often garbled, but always evidence tending to show something completely contrary to the facts. For that reason, and because the Bureau has usually "had it in" for men whose cases were made public, I have generally refrained from mentioning names. The name of this man was mentioned by the distinguished Senator from West Virginia, who conducted the examination. I hope if the Veterans' Administration has any evidence of the kind which I have mentioned and which has been rumored around the Senate all day that it will be presented tonight, so that the Senator from West Virginia may refute it.

But, Mr. President, the case does not depend on that man or any other man. The case depends on hundreds of thousands of men all over the United States, men whom we all know personally, men whom we have seen cut down, dying, committing suicide, having hemorrhages in the hospitals.

Yesterday I received this telegram from Phoenix, Ariz.:

Associated Press announces suicide by hanging of 70-year-old Spanish War veteran, Thomas "Buck" Smith, pioneer Arizonian, at Flagstaff today. Sheriff Vandevier says Smith had been despondent because he was threatened with a reduction in Government pension; further, Joseph Berryman, Spanish War veteran, at Nogales, Ariz., in fit of despondency over contemplated pension legislation went into his room, closed door, and turned on the gas, committing suicide. I know of others in Arizona in same frame of mind; this is not conjecture but of my own actual knowledge.

W. D. ONEIL,
Commander Phoenix Camp, No. 1,
United Spanish War Veterans.

I received a telegram from Fort Bayard, N.Mex., from the adjutant of the D.A.V., reading as follows:

It has really been tragic here primarily due to the anticipated results of the economy bill. One boy, here 9 years, hemorrhaged Saturday night and died. We presume this is an example of what is happening generally all over the country.

I can assure the Senate that it is "happening generally all over the country."

How long are we going to let this thing go on? These men are on the rolls through our legislation. If it could be proved definitely that they ought not to have been placed on the rolls in 1924, that would not salve my conscience for one moment in now turning them out on the streets to die.

I think, Mr. President, the time will come, and I think there are Senators on this floor who will see it come, when the Government will take care of all men who are too old to work or too sick to work or who are unable to obtain employment on account of economic conditions in the country. I hope that time will come soon. In the meanwhile, Mr. President, we are faced with the immediate duty toward this particular class of men for whom in a special and immediate degree we are responsible.

The conditions in Arizona and New Mexico are in no way different from the conditions in every other State of the Union. What are we going to do about those men? Perhaps some of the States, even in time of depression, are wealthy enough to take care of them. Arizona and New Mexico are not able to do so. What are we going to do with them? Are we going to leave them to die? Does the local community have the only obligation to such men? Does the Nation have no obligation to men toward whom it entered into a moral contract in 1924?

Let me quote some eloquent words uttered in April 1932, by the then Governor of New York, Franklin D. Roosevelt. His article is headed—

I can be Governor, but could I be a shipping clerk—

And reads, in part, as follows:

I am 50. I consider myself at the peak of whatever ability I may have acquired. But if I were to seek employment, even in boom times, upon a basis of equality with other average men of 50, I should have the greatest difficulty.

I could be the governor of a State, but I could not be a shipping clerk—for the growing number of employers, even in the best of times, are hiring only younger men.

In times of depression the older men and women are the first, not the last, to go. That this is a human problem which has been with us for a long period is obvious.

Now let me call the attention of the Senate to these words:

But no government which refuses to consider the sufferings of these people really merits support.

The people for whom Governor Roosevelt was speaking are not the people for whom the Congress of the United States has ever assumed any particular obligation. They were average men and women of 50 out of employment.

I quite agree with what the Governor of New York said in April 1932, that "no government which refuses to consider the sufferings of these people merits support." But what of a government which refuses to consider the sufferings of men drafted into the service of the United States by the Congress of the United States, men who are suffering under what Congress said was the result of that service, men who have been on the rolls of this country from 1924 to 1933, and who are now thrown loose on the mercies of charity, without the Government of the United States being obliged by any mandatory provision to do anything whatever for them, for I again call to the attention of the Senate the fact that there is not one mandatory word in the House provision from beginning to end.

Now, let me make it clear: It is not, of course, the President of the United States who is personally responsible for failing to carry out the desires of the Congress of the United States as expressed by the legislation of 1924 or as expressed by the guaranty offered to the Senate by the Senator from Massachusetts in March 1933. The President of the United States is entirely too busy even to give these matters the general consideration which men who have been studying them are able to give. Obviously neither he nor any other one man nor any other hundred or thousand men can give the necessary attention to the individual cases.

Yet, Mr. President, it is the individuals who are suffering; it is not an abstract class of men who are suffering; it is men of our own flesh and blood whom we, in our capacity as Senators, together with the House of Representatives at the other end of the Capitol, guaranteed to take care of while they were disabled. Those are the presumptives. With regard to the combat-connected cases, the only reason that I do not emphasize them further is because every Senator on this floor is agreed that they ought to be taken care of.

We are promised justice for these men. We have been promised justice ever since March. Who is going to interpret what justice means? We know Mr. Lewis Douglas' conception of justice. We know the interpretation of justice by the Veterans' Bureau. We know the outrages which have been perpetrated and the brutality which seems to bring pleasure to the sadistic hearts of these men. Then we are asked: Why do we suspect? Why have we not confidence that from now on justice will be done? Why do we not believe it when we are told that from this day forward cases of veterans will be administered fairly and in a sympathetic spirit? Does anyone really believe that? Is there any Senator on this floor who, in his heart, really believes that a great change has come over the heart of the agent of the Veterans' Administration? Does any Senator really believe that the Director of the Budget is going to be a different man from now on than the man he has been in the past? If so, let that Senator vote for the conference report.

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

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

Mr. CUTTING. I yield.

Mr. WALSH. Does not every Senator here know that Senator after Senator and Representative after Representative and veterans' organization after veterans' organization have appealed in vain to the Director of the Budget to modify these regulations?

Mr. CUTTING. Yes, Mr. President, and Senators also know that when the Director of the Budget was a candidate for an elective rather than for an appointive office he made the direct pledge that so far as lay within his power no Spanish-American War veteran should ever be required to establish service connection.

Mr. WALSH. Is it not apparent from what we have seen here that the veterans have nothing left but an election to restore their rights?

Mr. CUTTING. Mr. President, I hope it has not come to that. I should not like to go so far as the distinguished Senator from Massachusetts suggests. I hope that the veterans of the country may find protection without an election, that the veterans of the country may find protection where they have a right to expect it—on the floor of both Houses of Congress. If we do not legislate in their favor tonight or tomorrow—in case we are going to be in session tomorrow—if we do not legislate in their favor at any rate before we close this session and go home, then, Mr. President, every death and every instance of suffering which will come to any veteran between now and next January will be laid at the doors, not of the President, not of the Director of the Budget, not of the Veterans' Administrator, but at the doors of the two Houses of Congress. If we go away, we leave them to the mercy of the men who have established a record for brutality unequalled in the history of the country. We know perfectly well what is going to happen. Every Senator on this floor knows what is going to happen. There is no use in deceiving ourselves.

We are asked not to be suspicious. May I say, Mr. President, that the Indians in the Southwest have a proverb: "If you fool me once, shame on you. If you fool me twice, shame on me."

SEVERAL SENATORS. Vote! Vote!

Mr. GLASS. Mr. President, if there is to be an immediate vote I have no desire to interpose any personal matters into

the discussion. I shall be glad to wait until the vote is taken if I am assured that there will immediately be a vote. Then I shall rise to a matter of personal privilege to respond to the attack made upon me by the Senator from New Mexico [Mr. CUTTING.]

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. RUSSELL, Mr. TRAMMELL, and other Senators addressed the Chair.

The VICE PRESIDENT. The Senator from Georgia is recognized.

Mr. RUSSELL. Mr. President, I realize that the Senate is anxious to have the issue joined on this question and I assure them I shall delay the vote but a few moments. In view of statements that have been made by those who have seen fit to criticize the conference report both as to the motives and as to the previous votes of the signers of that report on veterans' legislation and in justice to myself, I feel impelled to make a brief statement.

It is true, as related by the Senator from New Mexico [Mr. CUTTING], that when the motion was made to suspend the rules in order that legislation for the benefit of the veterans might be inserted in an appropriation bill I voted in favor of suspending the rules. For that vote I have no apologies to make this evening.

Letters have been read on the floor of the Senate from time to time that portray the many grave injustices that were wrought by the first regulations that were drawn under the terms of the Economy Act. Every Member of this body has received letters from men who are bearing in and upon their bodies wounds that were received in the service, showing that their compensation for actual, directly service-connected injuries have been reduced from 40 to 50 or 60 percent. I did not believe then, nor do I believe now, that it has been the intention or the wish of the Congress of the United States nor the people of the United States nor the taxpayers of the United States that men who had actually been wounded in their country's service should have such drastic reductions made in the compensation which they receive. If conditions now were the same as when this bill first reached the Senate, I would stay here until Christmas in an effort to correct what I regard as injustices.

I supported the amendment offered by the Senator from Texas [Mr. CONNALLY] limiting to 25 percent the amount whereby any man's compensation could be reduced who had a service-connected disability. Mr. President, had I my way the compensation of men who were actually injured in their country's service would not be reduced one single dime. I express the hope and the belief that within a short while, when this legislation and the regulations which have been promulgated thereunder shall have had an opportunity to be put into effect, to be studied, and all the results surveyed, the directly service-connected veterans of the World War and other wars will not suffer any substantial reduction.

By innuendo it has been inferred that those who signed the report of the committee of conference on the part of the Senate were not friendly to the ex-service men. Mr. President, I signed that report freely and cheerfully, feeling that this act demonstrated that I am a friend of the ex-service men. They have been my companions. I do not mention my service during the recent World War because it was only a matter of 2 months and I never heard a gun fired in anger nor left the United States. But I am proud of the fact that this service, though limited, entitles me to membership in the American Legion and that I have enjoyed the friendship and confidence of the members of that organization in my own State.

The Senator from Texas [Mr. CONNALLY], as I observed in reading the RECORD of day before yesterday, stated in the Senate that I had been a State commander of the American Legion. That statement is an error. It has been my privilege to serve as post commander in the small country town in which I reside. I have known the ex-service men and they are my friends and I am theirs. I feel that the conference report presented this evening offers the real friends of the veterans the best means of expressing their friendship that it will be our pleasure to enjoy. I feel that because, as I construe the House amendment, it limits to 25 percent the amount of reduction in compensation of any man who actually was injured while in the service of his country.

That answers the question so often asked here as to what benefit the ex-service men will obtain from the House proposal. It assures some protection to the service-connected veteran. If that construction be not correct, if the construction put upon that amendment by the Senator from Oregon [Mr. STEIWER] and the Senator from New Mexico [Mr. CUTTING] is right and time proves to me to be in error, if greater reductions shall be made in compensation, I shall be among those who at the next session of Congress will support as strongly as I know how legislation that will so clearly establish the right of the service-connected-disability veterans that there cannot be any doubt or question as to their rights.

Mr. President, there has been a great deal said as to what benefits will be derived under the House amendment. I shall not tire the Senate, but I wish to state for the benefit of the RECORD, and in view of the reflection or innuendo that has been made, some of the benefits I see from the House amendment.

In one instance it places upon the rolls and restores by law, after they had been stricken off by law through the Economy Act, 36,325 widows and orphans and parents of ex-service men whose claims were presumptively connected and who had been entirely eliminated by the Economy Act. It is true that perhaps these widows and orphans and parents are not well organized, but they should, indeed, be a charge upon and a subject of interest to every Member of this body.

In addition to that it gives something, a very little, I will admit, but at least some assurance to the Spanish-American War veterans, that they did not enjoy under the regulations which were issued under the Economy Act, that having been a concession, as I am reminded by my friend the Senator from Texas [Mr. CONNALLY], that was obtained after the measure reached the Senate and as a result of conferences of Members of this body with Members of the House and with the President of the United States.

Mr. President, I submit to this body the inquiry, Who in this hour are the real friends of the American veteran—those who seek something that we all know in our hearts cannot be obtained by the adoption of the Cutting-Steiwer amendment, or those who take this concession that has been gained since this bill reached the Senate and the fight started to relieve the veterans of the injustices of the Economy Act. The amendment provides increases amounting to from $125,000,000 to $150,000,000 in increased benefits to the ex-service men and soldiers of these United States. We all know that, despite the greatness of this body, the Senate of the United States cannot legislate without the cooperation of the House of Representatives, and that the efforts of both bodies will fail tonight if that legislation does not meet with the approval of the President of the United States.

I regret that any question has been expressed on this floor with reference to the good faith of the President of the United States. But I submit that there is not a single, solitary Member of this body who does not believe the statement made that this measure would not meet with his approval, and every Member also knows that it will be impossible to summon a two-thirds vote to override a Presidential veto.

Mr. President, if we wish to stay in session for a great length of time and pursue a circle that can only lead us back from whence we started we can vote down the conference report, we can adopt again the Cutting-Steiwer amendment, we can attach it to a resolution that will be presented to continue the appropriations heretofore made, and the President will veto that, and we will start in on the circle again.

But, Mr. President, the time is approaching when under the original Economy Act thousands of presumptive cases

will go off the rolls without the slightest hearing. If no legislation be passed and approved by the President before July 1, 1933, these presumptive cases will be stricken from the rolls without a hearing; and Congress would indeed look silly to stay here and chase any such illusive shadow in a circle from now until then and have these presumptive cases go off the rolls, when under the terms of the House amendment these men are presumed to have received their injuries in the service; it gives them the benefit of the doubt and places the burden upon the Government of the United States to prove otherwise. They will have a hearing before a jury of five to investigate all available evidence to determine whether or not their injuries are service connected.

This amendment does not meet with my whole approval. Had I written it, in some details it would perhaps have been more pleasing to those on the other side of the Chamber. But, Mr. President, while I have not served long in this body, my service in legislative bodies within my State has long since taught me that it is impossible to write any one comprehensive measure so that it will please in its entirety and in every detail any one individual. Only through a meeting of minds and by concessions can we legislate here this evening.

We have here these benefits that I have outlined, in the aggregate from $125,000,000 to $150,000,000 of increases to the ex-service men over that which was allowed them by the original regulations promulgated under the Economy Act. I say that it would be better to take this now than to endanger all of the increases by continuing to strive here for something that is unobtainable.

I feel in my position that a defeat of the report will hurt the ex-service men. I have goodly company. I have discussed this matter with a Member of the National House of Representatives, a man whose name is a household word wherever ex-service men gather, a man who is known to every man who has ever sought compensation, who has been interested in the payment of his adjusted-compensation certificate, and who has loyally championed the cause of the ex-service man in and out of season. I refer to Congressman PATMAN, of Texas. He says that the success of the procedure advocated here by those who are opposing this report is likely to strike down the ex-service man and injure his cause for 10 years to come.

As I see it, the ex-service man is served by supporting this report far better than by mere lip service advocating measures it is impossible to obtain at this time.

Feeling that by the adoption of this report at this time and under all of these circumstances I can best serve the ex-service men of America, I gladly signed the conference report and shall support it when the roll is called.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. McNARY and other Senators called for the yeas and nays, and they were ordered.

Mr. GLASS rose.

Mr. TRAMMELL. Mr. President, I desire recognition for a few moments.

The VICE PRESIDENT. The Senator from Florida.

Mr. TRAMMELL. The Senator from Virginia had the floor, though the Chair declined to recognize him.

The VICE PRESIDENT. The Chair did not intend to decline to recognize the Senator from Virginia.

Mr. TRAMMELL. I beg the Chair's pardon. I understood he had ordered the roll call to proceed.

The VICE PRESIDENT. The Chair asked if the yeas and nays were ordered, and they were ordered. The Senator from Virginia had announced that after the roll was called he would address the Senate on a question of personal privilege.

Mr. GLASS. Mr. President, the Senator from Virginia has no grievance against the Chair. The Senator from Virginia did obtain the floor, and announced that if there was to be a roll call without further speaking, he would defer his speech; but other Senators intervened and made speeches, so I will wait.

Mr. TRAMMELL. Mr. President, I desire a few moments, and of course I desired not to interfere with the Senator from Virginia when he gained the floor. That is, there was no recognition of him, but he was on the floor first.

I do not question the sincerity of any Senator as to the position he takes upon this question. Throughout the entire contest, however, I have felt that the best way to obtain something for the veterans was to go forward, instead of receding. I have never thought of the idea of entering into a compromise which was equivalent to a surrender.

A good many Senators for whom I have the greatest respect, and who are entitled to their own opinions and views, instead of going forward with the fight for our veterans all the way through have been too easily driven to supporting every proposed compromise. They are welcome to that view and that course. They are, of course, sincere in that view; but I sincerely pursue the other policy of fighting for what I think is right, for what I think is just; and I think we generally obtain much better results by following a militant course instead one of retreat.

If nothing is done more than will be accomplished by the adoption of this report, some of us have obtained something for the soldiers, not by a weak-kneed policy of trying to back-track all the time and get ourselves in position for alibis. No concession whatever, in my opinion, would have been made but for the stubborn fight made for the veterans by about seven or eight Senators. Most of the others preferred the easiest course. If nothing more is accomplished than is recommended by the conferees, some of the Senators here who have been aggressive, in season and out of season, in behalf of the soldiers, are the ones who have brought about that result, and not those who think the way to favor the soldier is always to compromise, compromise to the extent of a surrender.

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

Mr. TRAMMELL. I will yield only for a qestion. I do not want to detain the Senate more than a few minutes, and I do not propose to yield for a speech. If the Senator wants to speak after I conclude, he can do so. I yield for a question.

Mr. CLARK. I desire to ask the Senator a question.

Mr. TRAMMELL. I yield for a question.

Mr. CLARK. Did the Senator vote for the economy bill?

Mr. TRAMMELL. I voted for the economy bill. [Laughter.] For that reason, if I made a mistake, I desire to correct that mistake. If I made a mistake in voting particularly for the feature of it which allowed the drastic regulations and the abuses that have been inflicted upon the veterans of the country, particularly the service-connected soldiers, I feel that it is my duty to correct it as far as is possible, and I am to answer for that, and not to be directed by someone else as to how I shall answer for it.

I believe—I may be wrong; I credit sincerity to everyone who believes otherwise—I think that if those who are in charge of the veterans' affairs of the country have been convinced by the exposure which has been made in the Senate until it has impressed them so that they are willing to try to do what is contained in the conference bill, they will do that, if they are men of heart and of justice, whether legislation on the question is enacted or not.

On the other hand, if we doubt that, then when I reach the crossroads where I find one road going this way to a certainty that will benefit and help the soldier, taking it for granted that those who administer the law may not act without legislation, I am going to follow that road instead of taking the road of doubt, the road that winds hither and thither and is coming in contact most of the time with those who are unsympathetic with the American soldiers. I am not going to wander off on that path. Others, of course, think that is the proper path. I am not questioning anybody's sincerity, but I never won a fight in my life by compromising and surrendering all the time, and I have never seen anybody else who did.

You do not win fights in that way. You win fights by holding the line when you gain a certain advance, just as the American soldiers did in the great Battle of the Argonne.

Their commanders, on the night before that battle, had warned those gallant and brave boys what was to happen on the next day, that they would have a great battle. The American soldiers were to confront the picked soldiers of Germany, the Royal Guard; and their commanders warned them and begged them on the morrow to hold the line.

We remember the bulletins that were returned the next day, following that great battle line, where for 50 miles thousands and thousands and hundreds of thousands of soldiers confronted each other, when the news came back and was flashed upon our own shores and to our own country that that day, as the French had been driven back, driven back, the Americans had held the line; and finally there came back the bulletin that thrilled every American heart, saying that the Americans were in full advance, the Germans were on the retreat, and there were no Germans left beyond the Marne, except the wounded and the dead.

What if our soldiers had begun the compromising policy, the policy of breaking the line and going back and back every time someone said, "Well, you cannot get that"? What if they had done that? The story of the World War would have been quite different from what it is and as it has been written.

Mr. LONG. Mr. President——

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

Mr. TRAMMELL. I yield for a question.

Mr. LONG. Under the civil law, the definition of "compromise" is such that both parties get something. In this thing here, the soldiers are not getting anything. It cannot be called a compromise. It could be called a surrender.

Mr. TRAMMELL. I think that if the conference report is administered sympathetically, and by friends of the soldiers, probably they will get something helpful; but if it is administered by the same character of people who have been writing regulations and who have been planning all of these abuses of the soldiers, then they would not get anything of consequence to them, except mistreatment. The other amendment is more specific and is more definite.

I challenge any Senator to show where, in the committee amendment—the amendment that was offered in the House and came to the Senate—there is any guaranty in a service-connected case that the compensation cannot be reduced in excess of 25 percent. There is no such protection in the provision that was passed in the House and which is now before us. The only provision is that the rate of compensation cannot be reduced more than 25 percent.

We know the manipulation in connection with those features and what that means. That means that they can reduce the rate for a certain schedule of injuries so much, but not over 25 percent; but when it comes to the question of the compensation that the man is receiving, there is no restriction whatever upon the amount he can be reduced in the House provision which we are urged to accept now.

Mr. President, I want to make plain and reiterate that those who have favored the question of the protection of the soldier—that, I think, has rung true in regards to all of the amendments—have had in mind protection for the service-connected cases. This measure does not go into the question of all the soldiers whose disabilities are not service-connected. We probably may need some legislation in regard to that in the future; but both the House provision and the provision offered by the Senators from New Mexico and Oregon deal entirely with the service-connected cases, and I think they are deserving of some protection.

There is a reason, of course, why we have legislation of this kind confronting us. There is a reason why there is an aroused public sentiment in this country, and it is not confined to the veteran himself. That reason is on account of the harsh, ruthless treatment which has been extended to the service-connected cases. We have not mentioned cases other than the service-connected cases. I have not. Nobody can retreat behind the proposition, and do it justly, that anyone is trying to have a lot of people carried on the roll who have no business there, or retreat behind the false argument that any Senator who has advocated relief, as has been advocated by practically all the Senators, is trying to protect some fellow who got on the roll by some fraudulent manipulation. We want such fraudulent cases stricken from the roll.

That is not the proposition that is confronting us. The proposition confronting us is whether or not we shall protect the sick and the wounded and other disabled veterans who were injured in the line of duty. That is what we have been contending for. I think the Steiwer-Cutting provision is better, and I will support it, feeling that even if a majority of the Senate should support the conference report it would then depend entirely upon whether or not a generous spirit guided those who administered it, because with all the loopholes in it, with its lack of specific, direct provisions as to what treatment shall be extended to the service-connected cases, unless the administration is to guide the situation with sympathy, the veterans will not get anything of consequence. Under the other proposal, of course, they would have to go directly in violation of certain specific provisions of the law if they did not give protection to the veterans.

Mr. President, I think that without any amendment being adopted along the lines of that offered by the Senator from Oregon and the Senator from New Mexico, we will have practically no law that will furnish any guaranty to the veterans. That is why I raised the subject, and why the Senator from New Mexico and the Senator from California and a few others raised the subject here about the same time, some 10 days ago, because we had reached such a state of sentiment in regard to these cases, which seem so terrible, that we felt Congress should take up the matter.

I want the veterans to get some definite relief, and I want to try to put up the bars against administrative officers who have no sympathy for the veterans, who give no consideration to matters of humanity, and have no feeling for the men who served their country, and served their country valiantly. At one time, at least, they had the plaudits of all Americans, and I will assert that today, as far as the rank and file of the American people are concerned, they still enjoy their esteem and their confidence, although some Representatives and some Senators may not accredit them with having done anything for their Nation.

I think they did the world good when they served the Nation and served it faithfully. I do not think we owe Great Britain and our other Allies anything because they may claim to have protected us. I think the indebtedness is on the other side, because when the United States entered that conflict, the Allies were fighting as it were, with their backs to the wall. It was not long after our soldiers had entered before history began to reverse itself and the Allies began to win. I cannot see how any American could attribute the winning of the war to any other thing than the entrance of the United States and the contribution which we made upon the battlefield in human beings and to our Allies through our financial assistance. I think not only America but the world owes a great debt of gratitude to the American soldier.

Mr. President, as I see it, I am going to follow the branch of the road at the crossroads which I think leads to a very definite protection and relief for the wounded, the blind, and the sick veterans of this country who received injuries upon the battle front, and I believe it can be more definitely accomplished by the amendment offered by the Senator from New Mexico and the Senator from Oregon.

I care nothing about whether it is offered by a Republican or a Democrat. I care nothing about whether some Democrat does not want me to support it or whether some Republican wants me to support it. I do not vote upon legislation on that theory nor upon such influences.

I remember one night in this very Chamber long years ago. It was a dramatic page in our Nation's history. The League of Nations was before us. The President, whom I esteemed as much as anybody in America, had urged that our country enter the League of Nations. I may say that I esteem President Roosevelt as much as does any Senator on this floor. I believe in him. I am proud of the splendid

record he has made. I will not yield to any man in my loyalty and in my admiration for him. Whether or not I will always vote as he suggests, I have a right to my opinion, the same as he or anyone else has a right to his opinion.

On that tragic evening, the night we voted on the League of Nations, I hated to vote against the immortal Wilson. However, I just happened to be one of the seven willful Democrats who voted against our entering the League of Nations. As I left the Senate Chamber at least seven of my Democratic friends who had voted on the other side commended me, saying I was right. History has vindicated me.

Mr. LONG. Mr. President, I rise to a point of order. I demand order in the Senate.

The VICE PRESIDENT. The Chair has asked for order, and is trying to keep order as nearly as possible.

Mr. LONG. If we do not have better order among our guests on the floor, I will ask that the Senate floor at least be cleared.

The VICE PRESIDENT. That is for the Senate to decide and not the Senator from Louisiana.

Mr. LONG. Mr. President, it is a rule of the Senate that there shall be order in the Senate.

The VICE PRESIDENT. It is a rule of the Senate that there shall be order in the Senate, but whether the Senate will clear the Chamber of its guests who are entitled to enter it is a question for the Senate to decide.

Mr. LONG. It is my right to ask for it if order is not kept.

The VICE PRESIDENT. The Senator will be recognized to make the suggestion.

Mr. TRAMMELL. Mr. President, I yield to no one in my loyalty as a Democrat, but I have a duty to perform in the Senate as a Senator from a sovereign State. On the occasion to which I have just referred I did not yield to anyone else as to what my duty was. I performed my duty, and I voted against the resolution unqualifiedly endorsing the League of Nations. That was some 16 or 17 years ago, and I am still in the United States Senate, and I still have my standing among my Democratic friends in my own State and throughout the Republic. I did not come here to be a jellyfish.

I do not consider it any disrespect for a person if a Senator votes his own convictions, and I am in the habit of doing that. I mention this because someone discussed a matter here a while ago about voting for a policy when a Republican offered it or when a Democrat offered it. I have found that sometimes some of my good friends on the Democratic side and I may differ. Of course, I much prefer to vote with them, if I feel I can consistently do so; but at the same time I will not be controlled by partisanship upon questions which are not party questions, and this is not a party question. This is a question of preserving the rights, preserving the health of the veterans of this country and affording protection and food for their children and for their widows, instead of allowing them to be driven into the street to starve, to beg, or to be dependent upon charity.

As for my part, I take the side which I think will best protect the veterans in the future.

Mr. SCHALL. Mr. President, it is impossible to conceive of the perfidy we are about to commit to the injured soldier without a short review of what this extra session of Congress has done and how it has broken its political undertakings to the people right and left, what it has committed itself to, and, by comparison, how it will affect the veteran, the farmer, the worker, and plain folk in general.

It is now after midnight, and I take it that at the close of this speech we will vote and in that vote will be decided the fate of the disabled veteran and along with that vote will be clearly demonstrated the attitude of the Democratic "new deal" toward humanity.

The Executive order that has been worked out so disastrously to the disabled veterans, unless we by our votes here tonight change its destructive course, will be thought of by the veteran and the people in general much as the opinion expressed by one of our soldiers in France when it was reported to him that General Pershing had said that he would give an American division, 125,000 men, to take St. Mihiel. The soldier's laconic reply was, "He is a liberal cuss."

We hold up our poor disabled soldiers to furnish contributions up to 75 percent, and in many cases 100 percent, of their slight compensation for injuries received in war under the disguised Democratic slogan of "Balancing our Budget." Why kick sick veterans out of hospitals that the Government built especially for them? Why refuse to furnish them railroad fare back to friends or at least what they call their home? Why let widows and orphans of injured soldiers starve or become a charity charge?

The Republicans paid off debts recklessly contracted by the Democrats to the extent of about $10,000,000,000 since the war. Already the "new deal" has and will through recent legislation put us back into debt more than $9,000,000,000, which the taxpayers now and henceforth must meet. Yet the Democratic platform, as usual, vehemently declares for drastic reduction of expenditures. They have increased the governmental expenditures over $1,000,000 a day! What a farce!

The contemplated saving of over $400,000,000 out of the blood and suffering of the veteran makes only a small patch of this new over $9,000,000,000 debt. If the young voters who supported this "new deal" could only have known of the inefficiencies and debt-getting proclivities of the Democratic Party, they never would have believed their recent campaign slogan, "It could not be worse." That is why the Democrats only win every 15 or 20 years. They have to wait for a new generation to grow up who does not remember the wreckage of the last Democratic administration. [Laughter.]

"NEW DEAL" LEGISLATION

Mr. President, it is fitting, therefore, tonight in the last moments of this extra session to review the legislation passed under the "new deal." Such a review will indicate clearly that altogether it has taken our Nation a long step in the direction of planned economy, controlled production and consumption by means of the Federal Government, all in the same direction as Hitler, Mussolini, and Lenin. Economists and historians have to strain their thinking ability to find any distinctions between the general plans those gentlemen propose and what the "new deal" now proposes. The minority, outnumbered two to one, have had little heart to oppose. Perhaps they should not have opposed. To oppose would immediately label them as obstructionists. So while we cannot oppose we can, with what little power we have, call to notice, let the people know that they are not getting what the "new deal" platform promised to give them. Perhaps that will be sufficient. We hope it will. The first steps have been completed in eliminating the middle class. Henceforth the continuance of the policy now adopted will tend to establish the status of master and slave. This is the very thing that our Revolutionary fathers thought they had escaped in founding this Republic. They thought that just as Christ came to guide mankind, so the Government they had founded would be an inspiration and guide to other nations. Built upon the equality teachings of Christ—the first shall be last and the last shall be first—in no other country can the lowest become the highest. Christ said we should be free to choose between good and evil. Without such freedom there can be no advancement of the individual. Any government can serve for the rich, but there must be in that government which would look to the needs of the humble, the right to advance to such limits as their own individual initiative prescribes.

Anyone who has a conception of what liberty means would surely rather hazard the rough and uneven path of individualism than be confined in a rule-ridden asylum, however fine his food and raiment and however perfect and antiseptic his care. A slave is a slave, however elegantly housed and fed. When you take away the right of individualism you remove ambition. When hope dies all the evils of mate-

rialism that were turned loose in the world from Pandora's box will concentrate themselves to make one man the uncomplaining servitor of his rich brother. When you by law make all mankind alike, when you standardize the efforts of his labor, you destroy his freedom to the right of understanding and retard the growth of his soul.

True, Congress has granted Roosevelt only permissive powers, but looking back over a century we can safely assume that the Executive will use the powers granted him and will vehemently protest their being withdrawn and they can only be withdrawn over his objection by the vote of two thirds of Congress. The Executives over a period of years have gradually arrogated to themselves the power to carry on war without congressional declaration—a power exclusively vested by the Constitution in Congress. Yet our troops have for years been sent hither and thither, contrary to this right, by the Executive.

Hence the grant of the power will undoubtedly lead to its use by the Executive.

The planned economy of the "new deal" will be in contrast with rugged individualism.

The rights of the individual as advocated by Jefferson are displaced for the authority of a Lenin, a Hitler, a Mussolini, a Franklin Roosevelt.

The excuse for this rapid change is laid at the feet of the present depression. The world price level has fallen to its lowest in a hundred years in some instances because of a multitude of causes, chiefly those growing out of the enormous wreckage of the World War.

It may seem drastic for me to compare this Democratic Government to that of Hitler, of Mussolini, of Lenin. Yet we are now definitely headed in the same direction as they are. For 150 years, ever since the beginning of our Government, we have believed in freedom of the individual to earn his own living, separate and apart from the state. We have assigned to our political society certain functions impossible of achievement by any person or corporation, such as police powers, national protection with Army and Navy, delivery of mail, and similar functions especially pertaining to health.

Now, however, our Federal Government, like those named, is about to render economic services. Uncle Sam is about to become a partner in business. This undertaking presents an anomalous situation. The sovereign power enters business where it also has to enforce laws and regulations as one of the partners. Such a partner must necessarily be a different kind than any yet known.

This partner will enforce the codes that determine prices, wages, hours of labor, and other business regulations. And there is where the Government definitely parts from the past. It will set the price of goods it helps to produce as one of the partners.

Heretofore production and consumption of goods have been governed by prices and profits, and they in turn have been comparatively freely influenced by a multitude of factors, such as world crops, drought, floods, distance of transportation, interest rates, wars, famines, wages, habits, customs, change of styles, and many more.

These factors and others have all contributed to determine prices and profits, which in turn govern production and consumption.

Henceforth Uncle Sam, as one of the partners, will by means of a code set the price, however unresponsive that price may be to the different factors that before have governed. Production will not depend on the old barometer of prices, in production, and consumption, but on what the political unit will determine shall be the price, and it can only guess the price. It will have to risk overproduction or underproduction, depending on this master mind, this political overlord, to decide what we shall pay for what we buy.

Economy powers granted to the President in two bills especially, the farm bill and the industrial recovery bill, constitute a revolutionary step. It sets aside prices as a governing factor in our production and consumption and replaces them with a political decision rendered by the White House. It is in that respect that we shall henceforth resemble Russia, Germany, and Italy. They render economic services and determine cost of production as we are about to do. Whatever the future may hold in store for us, if we follow this course there is reason to believe our goal will eventually be about the same as theirs. I wonder if the American people will be as elated as this administration assumes when they realize they have been elevated to the great heights that the people of Russia, Germany, and Italy now enjoy. Planned economy will entirely displace rugged individualism, freedom to act as you will in the matter of production and consumption. The individual liberties of Jefferson have been discarded for the planned economy of the "new deal."

All this is done under the guise of breaking the depression. We are told that to let matters drift will not cure our troubles. They demanded action and are surely getting it. What will the reaction be? What other nation in the world's history ever had an industrial machine as huge and comprehensive as ours that cured its depression with a planned economy? Yet our brain trust says that is the way to do it. So we have thrown overboard traditions 150 years old to break a depression with a cure concocted in the minds of certain professors who have been reading the propaganda of Hitler, Mussolini, and Lenin. What is Jefferson compared to them? they say. Who is Lincoln, Washington, and Theodore Roosevelt when compared with modern men of the type of Hitler?

The bank-holiday proclamation was the first step. It was followed by a law granting the President the power over the opening of banks and the control of gold movements. In rapid succession this led to continued gold embargoes, inflation powers almost unlimited in extent, and repeal of the Gold Standard Act.

That the Democratic Party in 1932 did not contemplate any such drastic action is best evidenced by the following words from its platform:

> We advocate a sound currency to be preserved at all hazards.

The author of the plank relative to sound currency has stated that he does not think that the currency now proposed under the inflation powers would be sound currency. They have turned their backs on their word to the American people in 1932, and we can only hope that it is for the best. The President was not elected to do what he is now authorized to do. This authority he requested Congress to grant to him.

The "new deal" program as set forth in the Democratic platform had this to say about the antitrust laws:

> We advocate strengthening and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices, and revision therefor for the better protection of labor and the small producer and distributor.

Which means the "new deal" has forgotten all about their promises to the individual, the little merchant, the small producer.

Under the Industrial Recovery Act the President is given the right to suspend the antitrust laws and to permit trusts and combinations in restraint of trade. Senator BORAH did insert an amendment to prevent combinations in restraint of trade, but this amendment, under the insistence of the President, was emasculated in conference—another broken promise, another link in the program of planned economy, of industrial dictatorship under the President.

Regulation of farm and factory is contemplated in these two bills, the farm bill and the industrial control bill. In the latter, industries are permitted to establish codes on prices, hours, wages, and regulations for each trade association with Presidential approval.

In the farm bill, progressive Senators tried to insert a cost-of-production amendment in behalf of the farmer, surely necessary if, contrary to the antitrust laws, prices can be set on everything the farmer buys. But the administration would not permit this amendment; it left the farmer to get an average return based on the period 1909–14. This may or may not be cost of production. To protect the farmer in this "new deal", he should have been so safeguarded

that whatever price the President permits in his industrial control bill would take into consideration the farmers' income in relation to the cost of everything he has to buy.

As it stands the cost on everything he buys can be raised so high that it will wipe out all benefits he may derive from prices depending on a base period. The base period is no assurance that the prices will cover the cost of production under the "new deal", under the plan of the so-called "economy of the Franklin Roosevelt administration."

Under the two home-loan bills, namely the farm- and the city home-owner bills, the city resident can borrow on his home up to 85 percent, while the farmer can borrow on his home only up to 35 percent. This glaring discrepancy shows clearly that the "new deal" does not consider that the basic industry of the country—agriculture—is entitled to the same consideration as industry. That is why the administration knocks out the agricultural-marketing system which was established for and did protect the farmer from the wholesale-market racketeers. That is why with one hand he saves $2,000,000 from going to the farmers' benefit while with the other he spends hundreds of millions of dollars to establish machinery for the control of industry. The farmer, the Government employee, and the injured soldier are singled out to bear double the so-called "economy" of the "new deal" and rightfully claim it is not a "new deal", but just a new cut, a joker.

THE DISABLED VETERAN

We are about to engage in the largest peace-time program that history records, yet the administration is committed to a program of cutting Government expenditures.

Public Act No. 2 is entitled "An act to maintain the credit of the United States," and allows the President to cut compensation of veterans of all wars and of Government employees. Credit of the United States! What sort of credit will the Government of the United States reap from this session's work? In accordance with this power, the President has merged bureaus, reduced the number of employees, and cut the compensation of those still on the pay roll.

All this has left Government employees in doubt and fear, demoralizing the whole Federal force. In addition, it has entirely and purposefully disrupted the Civil Service regulations, leaving employees with ranking Civil Service ratings out of work and reemploying, under the farm bill and the industrial control and other bills, help without civil-service ratings, as the acts specifically provide the President can do. The governmental cuts of 15 percent that apply to the old governmental employees will not apply to the new appointees. Because of the evil influences of the spoils system, the Civil Service Commission was set up in the hope that once and for all Government service would be placed above politics. Deserving Democrats have to be taken care of at the expense of the civil-service laws which the Democratic platform of 1932 specifically provides must be observed and maintained. The replacement of efficient civil-service employees by inefficient Democrats only augments by leaps and bounds the usual inefficient, unbusinesslike, and profligate Democratic administration.

The extent of this abrogation of civil-service rules can only be realized when we consider that the Federal Government is about to regulate both farm and factory as part of its planned economy program. What a tremendous political machine will be built for future elections and the perpetuation of dictatorship. It does not stand to reason that the Federal Government can carry out a program of a Hitler, a Mussolini, and Lenin with less help than that required for a program of rugged individualism.

To create work, the Federal Government passed an act to establish a Forestry Conservation Corps, to employ 250,000 or more men, maybe women as well, by sending them out to plant trees and to protect forests from fires. The expenses of this corps has already absorbed more than the touted savings. Injured saplings have been put in the beds in veterans' hospitals in place of veterans displaced under this so-called "economy act." Tree planters ride on Pullman cars, whereas veterans are put out of hospitals without car fare. A widow of a brigadier general of the World War had her widow's pension reduced to $15 under the new regulations, whereas the widow of a tree planter under the "sap bill" is allowed $45 per month.

The regulations under the so-called "economy act" led to such wide abuses that finally the Senate attempted to insert the Steiwer-Cutting amendment to limit the cuts to war-injured veterans. A brave Democrat, Senator TRAMMELL, introduced an amendment to limit cuts to 15 percent on all veterans except those who were drawing pay not because of war service. A rule of the Senate made this amendment out of order on an appropriation bill, but Senator TRAMMELL moved to suspend the rule in order to vote upon his amendment. The Senate voted 21 to 59 for suspension of the rule. This is the unhampered and true consensus of the Senate for a limit of only 15-percent cut. Senators were led to believe the President would not sign the Trammell measure but that he would sign the substituted Connally amendment limiting them to 25 percent. Thus the "herring was drawn across the trail" to give time for work to be done upon independent Democratic Senators who tenaciously clung to justice rather than the Democratic "new deal." The vote on the Connally amendment was 42 to 42, with the Vice President breaking the tie. This vote shows that the parliamentary trick was successful, for many Senators, friends of the soldiers, hoping to get a limit of 15-percent cut, voted against the 25-percent cut substitute.

After this victory for the veterans they were soon to be disillusioned in discovering that the President would not sign the independent offices appropriation bill with the Connally amendment in it. The House, under the direction of the President, rejected that and inserted the President's amendment with no definite limits as to cuts, the only difference being that these inhuman, cruel, and unjustifiable cuts go into effect October instead of July. The amendment is so filled with a jumble of weasel words that no one can tell what it means and it can be interpreted in almost any direction. The Senate, by a goodly majority, including the solid Republican vote and 19 Democrats, rejected the House amendment and the bill went back to conference, the vote standing 51 to 39. The Senate insisted that the Government stand by its contract with its war-injured men by at least giving them 75 percent of what they were entitled to under the law and justice of the land. But what is a contract, a promise, sound money, an obligation, a party platform, Civil Service law, the Constitution, under the Democratic "new deal"?

If you independent Democrats who have so far in this fight supported the cause of the injured soldier stand steadfast to your conscience regardless of the tremendous administrative pressure being placed upon you and refuse this conference report, the Senate will have its way, and even those Senators voting for this report will rejoice that the injured war veteran, despite their votes, has received some little measure of just consideration. A score or more of House Members have told me that they are hoping and praying that we will have the courage to return this unpatriotic, unfair conference report to the House and thereby see to it that the war-injured veteran is not reduced more than 25 percent. Government salaries have been cut only 15 percent—surely 25 percent is an ample cut for the disabled veteran. History everywhere records the decay of that nation which forgets and belittles its defenders. We honor the men who put our flag in the sky. We must not, if we are long to remain a leading nation, despise the men who have kept it there.

The House Members tell me, and we all who have been Members of the House know that it is true, that they did not have a chance to vote upon the real issue; and some of them tell me they have been misinformed, which misinformation has been dispelled by the Senate debates upon this question, and that they are now ready, if we will but return this disabled-soldier issue to them, to back us up.

I know, and you independent Democrats know, that the king of patronage of this administration has been about and in the gallery all during this controversy and still sits

in the gallery even at this late hour of half-past 12 with pencil in hand to take the names of recalcitrant Democrats. But, Senators, regardless of him and all he represents, vote your convictions. What are you going to tell the widow, the orphan, and the injured veteran when you get back home? Are you going to say that you thought it was the right thing under this silly slogan of "Balance the Budget" to rob the war cripples, to take the food from the mouths of their widows and their children? Are you going to say that if you had voted other than directed you would have been ignored in the numerous political appointments that otherwise you would be consulted upon? Or are you going to say that you think these inhuman, unjust, and cruel cuts contemplated and already by Executive order being put into execution are the right thing? You remember the case called to our attention by Senator CUTTING, of New Mexico? His name was Peter J. Reno. He was being cared for at the tubercular hospital at Fort Bayard, N.Mex., but when he was to be kicked out under Executive order that we, as the Congress, empowered the President to make, the people of Fort Bayard took up a collection and sent him on here as a typical example of what was being done to the disabled veteran. Senator CUTTING asked Dr. HATFIELD, Senator of West Virginia, and Dr. COPELAND, Senator of New York, to make an examination of this man.

The report made by both Dr. COPELAND and Dr. HATFIELD was that the tuberculosis was directly due to the service, and Senator JOHNSON asked Senator BYRNES if this report was consistent with the Veterans' Bureau files, and he replied that it was. This man served in five major engagements; was decorated for gallantry. At the Battle of the Marne he was severely gassed, from which his tuberculosis trouble came. In some one of these five battles, as I remember it, he was wounded in the back. One lung has been entirely removed and the other is seriously affected. The hole in his back extends clear through and within less than an eighth of an inch of his heart. By placing your hand in the hole you can feel the beat of the heart and by casting a light in the hole you can see the beat of his heart. The man is entirely helpless. The wound in his back must be washed and dressed at least four times a day. His wife at present is doing this service for him. He has three dependent children.

He was rated totally disabled and receiving $100 a month. The Executive order ousts him from the hospital and sets him down as entitled to $20 a month. Under the strong pressure of several Senators who had become interested in this typical case, it was finally decided by those in authority under this Executive order to raise the compensation to the magnificent sum of $30. This was done after due reflection and considerable study, not, as I take it, through sympathy and understanding of the man's condition and his case but those in authority no doubt considered the senatorial pressure and valued it at $10 per month, which $10 was added to the $20 already allowed, making the munificent sum of $30 with which he should care for himself, his wife, and his three children, and if he could not do that on $30 the "new deal" should worry. Thirty dollars was all they could squeeze out to give this entirely disabled man, even though they had had for once in their life the opportunity to see and feel the beat of a human heart. What chance under such an Executive order has the ordinary injured soldier?

Do you want to meet that kind of a case back home and answer that you think that $30 a month was adequate for a great and grateful country to do for its crippled defenders?

Every veteran will look over tonight's roll call. The excuses you have given here tonight may serve as a political expedient to ease your own conscience, but your words to the common people, the ordinary soldier, will be only as sounding brass and tinkling cymbals.

In the last few days I have been inspired by hearing Democrat after Democrat come to the aid of the beleaguered soldiery with fiery eloquence and cold, hard logic, and I rejoiced, thinking that the simple garments of Dorcas would again outweigh the crown of the dictator. But as I have sat here tonight and heard some of these same Senators deliver their fixing speech, my heart grew heavy. I have heard Republican Senators about me time and again this evening listening to these speeches say, "Oh, oh there he goes; the discipline is strong." It reminded me of my experience in following our boys in the Chateau-Thierry drive.

The Germans were retreating and blowing up their ammunition dumps. Whenever one of these tremendous explosions rocked the earth I would hear some of the boys say, "There goes another ammunition dump; now we'll move." My advice would be to heed the still small voice and save your ammunition. Stand by yourself, by justice, and humanity.

DISCIPLINE OF LEGISLATORS

Mr. President, I have a keen understanding of party discipline. It has been applied to me both in the House and in the Senate, and I know how hard it is to follow your own good judgment as God gives you the light to see it when opposed by the selfish desires of mean and petty men.

Truth forever on the scaffold,
Wrong forever on the throne;
Yet that scaffold sways the future,
And behind the dim unknown
Standeth God within the shadow,
Keeping watch above His own.

I was elected to the House in 1914. In 1916 I campaigned the country for Hughes, but our Democratic President who kept us out of war was reelected, and with true Democratic promise-keeping, he immediately put us in the war.

In 1917, with a Democratic Senate and a Democratic President on the threshold of the declaration of war, I felt that the best interests of my country lay in the election as Speaker of the House, of that Democratic progressive, Champ Clark, for through his election as Speaker the Democrats would retain the committee machinery of the House and put a Democratic House and a Democratic Senate back of a Democratic President. I felt that the issue of the organization of the House was the issue of the Nation. I felt that our Nation involved in an international crisis should show to the world a solid front. I felt that it was a bigger issue than party, just as I feel the question here before us tonight is a bigger issue than party, though I am happy to state that every Republican in the Senate will cast his vote or be paired in favor of the soldiers. So as a progressive Republican I nominated and voted for Champ Clark for Speaker and without that vote he would not have been elected. I thereby called down upon my head the scorn and contempt of the hidebound party men who figured that through my vote they had lost the loaves and fishes.

Most of them could not construe my action as anything but deep-dyed party disloyalty, for they did not realize that I owed nothing to the regular Republican organization of my State. Rising in indignation, they left the space all around me empty, so I sat alone, scorned as a renegade, the earlier months of that session, except for a few bigger Members who, by an occasional word or friendly touch, would indicate they understood. That party discipline followed me to the Senate and instituted a contest for my seat. Not that I had done anything to warrant that action, but I had committed the crime of being independent, and to show you the spleen, when the Senate unanimously dismissed that contest, this powerful influence caused my own State senate to pass a resolution calling for a hearing of my election and appointed a committee especially arranged to nail my political hide to the fence.

Testimony in this very hearing showed that $30,000 had been paid for three witnesses to testify to certain falsehoods written up by those interested in my political demise and a copy handed to these witnesses for them to commit to memory. One witness was called and went through as per schedule, but when the second was called it was found that he was just recovering from a very severe illness. He went on the stand and testified that he had been so ill that he thought he was going to die; that he had called in the priest, taken the last sacrament, and made a full predeath confession. Whereupon the priest admonished him, if he lived, he should go before that committee and tell the whole

truth. And the truth was, according to his sworn testimony, as above stated. So their well-laid plans to destroy me failed, and the committee were forced unanimously to exonerate me of all charges, and the Senate unanimously adopted that report.

Thus—

Behind the dim unknown
Standeth God within the shadow.

I continued that independence here in the Senate, and when my reelection came up in 1930 some sinister and powerful influence followed me again to Minnesota and furnished the necessary money to fight from within the Republican Party my election, though I had been nominated upon the Republican ticket by 100,000 majority. The $2,000,000 spent to get me did not succeed, though it did capture the Republican machinery and all but about 17 newspapers in the State. This newspaper onslaught against me was headed by a great Republican paper, known in my State as the "Minneapolis Journal." My record had been, and still is, 100 percent for labor, 100 percent for the farmer and agriculture, and 100 percent for the veterans. This was a hard record for them to drive a wedge in. But the Journal's brain trust figured out several propositions to make attacks that were entirely false, and anyone who would take the trouble to read the CONGRESSIONAL RECORD would know it. But the most ingenious scheme of all their false attempts was the one in which they used a whole page, which page was distributed to over 400 other Republican newspapers in the State, and those papers enfolded this sheet with their own and sent it out through Uncle Sam's mail. All the time these papers were yelling about my using the frank with which to defend myself against their falsehoods, while they mailed, under their newspaper frank, these same papers free to every subscriber throughout the county in which the newspaper is published.

Their plan ran something like this, and I am sure you Senators will appreciate the ingenuity displayed: "SCHALL says his farm record is 100 percent. Let us see about that. When the tariff bill was before the Senate Finance Committee and the farm schedule was up, where was SCHALL? When so and so was up, in which the farmer was most interested, SCHALL was absent; when thus and so was up in which the farmer was greatly interested, SCHALL was absent." And thus they filled a whole sheet of that great Republican newspaper with goose eggs and absent marks. All of which was true, but at the same time carried the most damnable falsehood to the voters of Minnesota. The ordinary voter would not understand, and they knew he would not understand the difference between the Senate floor and a Senate committee. I was not, and they knew I was not, a member of the Senate Finance Committee; and, of course was absent. I had no business there. But they nevertheless carried the impression to the farmers of Minnesota that I had betrayed them.

On September 20, 1930, a Standard Oil truck ran into my elder son and severely mangled and injured him. We despaired of his life for months. During that time, these hired papers printed that I had had my son run into this truck to create sympathy, and headed their articles with such defaming titles as "Blind Tom's Sympathy Racket."

A jury, just a few weeks ago, passed upon that accident and awarded my son a verdict of $60,000.

The discipline continued. They bribed several local labor leaders to oppose me stealthily, and these traitors to labor's cause through falsehood, lost me a large part of the labor vote, though my labor record then was 100 percent for 16 years in Congress and still is and will continue to be 100 percent. It is hard for fake labor leaders to fight that kind of record. Nevertheless some of these racketeer labor leaders are still at work preparing anti-Schall propaganda.

Just the other day a friend sent me a clipping from a so-called "labor paper" in Minneapolis, known as the "Labor Review." The editor of this paper is an out and out "Red" and has always been for somebody else whenever I have been up for election. It carried an article headed "SCHALL'S reward of labor", and sought to put over the idea that I was building a magnificent home and in its construction was misusing labor, and showed a picture of a "sandwich man" with placards on both sides of him, before the house which I hope to make my home, bearing the inscription, "Senator SCHALL'S palatial new home 'unfair' to labor. Senator SCHALL says his labor record is 100 percent. On this job his record is 000 percent." An ingenious way of getting over an utter falsehood and the tools who were hired to do it know that it was a damnable lie.

Ever since I have been old enough to realize, the one wish of my heart has been to own a good home. The hard times afforded me the opportunity to buy from the estate of Van Tuyl at a price that my lean pocketbook could afford, and no honest man will begrudge me a decent home after 50 years of hard work and close temperate living and saving.

The facts are that sometime ago I contracted to purchase a home, that was a good home when it was built in 1900, for $6,000. I arranged to borrow $5,000. But before its consignment, enlisted certain repairs, including carpentry, plumbing, tinning, stuccoing, plastering, the fixing of the chimney, and painting. It seems the contractor had no trouble with employing union labor for everything but painting. This exception came about through the grafting, racketeering, and dishonest methods of one Stanley Anderson, who was being used as a substitute for the real paint union leader, who was ill. He, in true racketeer's style, was determined, as he put it, to get a "break" upon that job. He told the contractor that a United States Senator just had to give him the "break", whatever that means, or he would put the screws to him.

It is this kind of grafting, criminal racketeering by so-called "labor leaders" that does more harm to the cause of labor than any other single thing. And, by the way, this particular local labor organization was opposed to me in the last election, though the Federation of Labor and the railroad unions supported me and vouched for my labor record as 100 percent. I wonder what part of the $2,000,000 these so-called "labor leaders" got, and if they are not still on the pay roll.

The slush fund tried to hire farm leaders to oppose me, but in this ruse they were not successful. The farmers had kept track of my record and they were therefore unable to deceive them. From all parts of the State the farmers—God bless them—gave me an enormous vote, that more than offset the wholesale stealing and miscounting of my votes in the Twin Cities.

This sinister influence was so chagrined at my reelection that they thought the only way to save face was to institute a contest against me, which was unanimously dismissed by this Senate—and so bitter was still the resentment that they filed another contest, which was again unanimously dismissed last session. And all this discipline has been given me because I dared to speak and vote my convictions.

So I insist that I know something about party discipline over the course of 19 years in Congress.

But I also in that time learned something, being here from its inception, about the war and the boys who fought the war.

SOLDIER AND FARMER

My colleague the distinguished Senator from Illinois [Mr. LEWIS] and I were on the *Mount Vernon* when she was torpedoed 250 miles off the coast of France. That vessel was carrying about 500 boys who had had legs, or arms, or eyes, or jaws shot away. They were beyond repair and were being sent back home. These are the boys whom we are tonight fighting for. The disabled men who fought that war. We are proposing, by voting for this conference report, to kick them out from our protection and care, where the Constitution places them, into the tender mercies of those who have already been proven to have no mercy, of those who apparently stand with upraised cutting knife to advance upon these war cripples and without understanding or sympathy drain from them what little sustenance of life they have.

I was on the battlefield with the boys in France and I know something about what they suffered and what they did. I lined with them at mess and communed with them in bivouac in the night.

I heard here on the floor the other night one of the leaders of the "new deal", as he was one of the leaders of the old Democratic deal that took us into the war after their winning slogan to the people had been "He kept us out of war", just as their winning slogan in the last campaign was "It couldn't be worse", declare that it was our business to get into the war and that we should have been in long before we were.

I want to say with all the emphasis I have that it was not our business to get into that war and we should not have been in it if a Democratic President reelected upon the platform that he had kept us out of it had cared anything for what the people of the country desired. If our Democratic President, with the aid of the international bankers, had not taken us into that war this country today would not be in the slump of despair and despondency that it is. It is because of that war and the reckless extravagance of it that laid the foundation that has brought about our condition today.

It seems odd that the people of this country could be so deceived that they would return the very party to take us out of our difficulties who had through their drunken-sailor attitude in the war made the very conditions which cannot be expressed better than they put it in their slogan, "It couldn't be worse." Nowhere, anywhere in the annals of history can be found even an iota of parallel of the extravagant, ill-managed, wreckage of our country that the Democrats brought about through their conduct of that war. They created the condition from 1916–20 that we as a nation have had to answer for since 1928 to the present time.

The people, suffering in 1932, not realizing their condition was directly due to the wrecking administration of 1916–20, were as easily misled with the slogans, "It could not be worse" and "We must have a new deal" as little Red Riding Hood who asked, "But Grandma, what makes your eyes so big?" and the phony Democratic grandma answered, "The better to see you with, my dear." By the time the citizen, little Red Riding Hood, gets to the question of "what makes your mouth so big?" they will begin to realize that it is a gastronomic condition that will not be sated with the blood of the disabled soldiers or Government employees but crunches on into the vitals of the country, gnaws away the very foundation of our liberty, gulps down the very Constitution upon which we, aye the world, depend for the preservation, development, and understanding of the individual and stands with its new deal, its new laws, its unlimited powers filched from Congress, a menace behind the Stars and Stripes ready to strike down when the moment shall come the emblem of liberty and hoist in its place the black flag of Mussolini, Lenin, and Hitler.

Here we are with the same party, almost the same personnel that conscripted our soldiers and sent them over there to fight for democracy. They did not conscript wealth, but on the contrary pampered it and are doing so today.

Now this same party, this same personnel, is trying to fix up the havoc they wrought when they were in power before and they begin with the Government employees. Then they ask the very soldiers who have been shot up, mangled, and diseased through obeying their orders to come forth now and lay upon the altar of sacrifice the little pittance a Republican Government gave to them to keep life and body together.

Yes, they are fixing things up all right just as they did when they were in power before. The similarity is analogous in their many new commissions, new bureaus, "new deals" which are again to be run by "pay-triots", the dollar-a-year men, who as a rule were interested only in their particular manufactory or business or form of making money.

Remember the war contracts that were let on a percentage basis and where millions of feet of whole lumber yards were burned to increase that percentage? Where cement was piled in wet sloughs that it might be destroyed and the percentage thus increased? Where five or six men were hired to do one man's job and paid exorbitantly? Where the ordinary laborer was getting $10 to $15 a day and the skilled from $25 to $40 all of which went to increase the cost? Compare this wage with the $1 a day of the boys whose compensation for injury we now propose to take away from them. Oh, yes; the Democrats always were great boys to put things in circulation. Remember the story of the plumber's helper who reported somebody following him around, thought it was a German spy and upon investigation it was found to be the helper's helper, all of which went to the cost and in a crude way explains Democratic efficiency. [Laughter.]

We appropriated $42,000,000,000 for that war and spent it over and above our loans. We paid our noble allies from $80 to $140 for every soldier they took over on their ships to fight their battle, and we paid cash as we went clear through the war. We bought from France and paid them in cash; I am not sure as to the figures, but I think it was around $100,000,000 more than they got from us, including their $4,400,000,000 loan, so I cannot agree with the Senators who suggest that we profited out of the war.

We built them ships, we deepened their harbors, we built them docks, put machinery on those docks, built railroads, furnished thousands of cars and engines, built hospitals, and we paid for everything as we went, in cash—cash raised from the people of this country.

They wanted to charge us and did charge us for the ground our soldiers drilled on and felt they were abused that we did not pay them for the property shot up in driving the Germans out of their land. We gave 125,000 lives and the millions of crippled, torn, harassed, infected, diseased humanity that was left to us as a heritage, which is costing us around $800,000,000 a year. We are paying out about that sum in interest on money we borrowed from the people to loan to our allies, and we must pay the principal when due.

We loaned something over $12,000,000,000 to 12 different nations, and we have raised this money from the people by means of so-called "Liberty bonds", and we agreed to pay that money back with interest at the rate of 3½, 4, 4½, and in some instances 5 percent.

We loaned to England $4,715,000,000.

To France $4,400,000,000—$1,800,000,000 after the armistice.

To Italy $2,150,000,000.

Belgium a half a billion and so on to 12 different nations. This money was loaned without any regard to good business principles.

Congress had passed a law that these loans were to be made to our allies and that we should take in exchange for these loans their national bonds in the amount of the loan, bearing interest at the same rate that we were paying to the people. This was not done. Loans were made with only an I.O.U. receipt, so that after our boys, practically in 6 months, had cleaned up what the Allies had been trying to do for 4 years and through their efforts brought victory to the Allies and thereby gave them the unjust Versailles Treaty, because of which England is now in possession of nearly a third of the world, through which France filled her pockets, Italy her lap, and Japan her arms, and we got prohibition. [Laughter.] And now the Democrats have taken that away from us. [Laughter.] We asked nothing out of that war and got nothing. The least thing our allies could do in showing their appreciation is to pay the debt they owe us, a debt the amount of which they themselves dictated. After the war was safely over and they had the spoils of that war carefully locked up, the Allies began to twist and turn, as usual in the case of a dead horse, to find some way to get out of paying their legitimate debts. After much parley we accepted their proposition, and really, in effect, canceled these debts. We

accepted in lieu thereof a small rate of interest over a period of 62 years. In the case of England this amounts to 3.7 percent, in the case of France 2.17 percent, in the case of Belgium 2.1 percent, in the case of Italy 1.1 percent.

That is the war debt of which we hear so much, and that is the debt and the conditions of it that some of our noble allies wished to default or have it arranged in some other way so that in the end they can even get away from this tiny interest and pay nothing.

While I was in France during the war an official delegation called upon me and asked me to urge the President to announce at once that at the close of the war we would give France one half of our merchant marine which we were then building for our allies' defense. They said it would make for better understanding. They were suspicious of our soldiers landing there in such tremendous numbers. They surmised it would not be much better if we took possession instead of the Germans. In order to allay the feeling of Europe that we had any design, we called a conference to limit the different nations' armaments, which France and England and Italy gladly joined. They had nothing to lose at the time. We had a Navy built and building that would have whipped the combined navies of the world. In order to make them feel that we had no desire of conquest, we agreed to sink and did, like silly asses, sink 22 battleships, 11 of them brandnew, while our noble allies tore up a great number of blueprints. This had no sooner been done than our allies began to pull back from the Navy disarmament as to lighter vessels and adjourned to take that matter up at a later date. They all went home and began to build war cruisers as fast as they could build them with our money, and they have been building them ever since, until from this magnificent Navy that would have defeated the combined navies of the world we are now in fourth or fifth place. Europe has over 30,000,000 men under arms, more by several million than she has ever had in her history.

Now if we had had the national bonds of these different nations—and we would have had if Republicans had been at the helm, if the law had been carried out, or good business principles practiced—we could have put them upon their markets. We would not have been forced as we have been, step by step, to abandon every claim that we have advanced for the taxpayer of this country in lessening his bills by cutting down war preparation.

If we had had these bonds we would have had a club that would have brought them to terms, for none of them could have afforded to have these bonds placed upon their market at any time since the war. We get nothing from Europe, as history shows, and especially history since the war, unless we are in position to enforce it. Promises mean nothing to them, treaties are only scraps of paper, though we went into that war upon the pretense of making them something else.

We were outmaneuvered and outpointed in all conferences and are thought of today in Europe as a soft mark. No wonder Will Rogers says that we have the greatest navy of the world at the bottom of the sea and that we have never lost a war and never won a conference. Over there we are called "Uncle Sham" and "Uncle Shylock", and yet our President in exact opposition to the declaration of his party platform just yesterday accepted $7,000,000 in lieu of an $89,000,000 interest payment of England and remarked the while that he did not hold this slight payment as a default. Why not insist upon these tiny interest payments as a means of balancing our Budget instead of taking it out of the very men they sent over there to get wounded and diseased? It is a crime that these boys, the targets of the war, must now become charity charges in order to help patch up a depleted Treasury because of the Democratic financial orgies of their last administration. Better that we insist on the Allies paying their little interest as they agreed to do, and if they do not, let us call it by its proper name, a "default", and end the matter there and charge it up to education in hopes that it will teach us to attend to our own business and keep out of entangling alliances.

Over there in London today they are holding forth to settle the troubles of the world, and from there we learn that our debtor nations will default on the June 15 payments except for about $7,000,000. One hundred and forty-four million dollars is due us. Little Finland, who is by far less able to pay than either England, or France, or Italy, or Belgium, pays hers in full.

Because of the unprecedented generosity toward our allies we find ourselves burdened with $12,000,000,000 of bonds to our citizens that gradually fall due, making it, as the administration says, impossible for our Government to give fair treatment to our soldier boys because of the depression, which depression, if traced to its origin, would run right back to the Democratic mismanagement of the war. If the Democratic administration would be as considerate of them as they have been of the Allies, we should not have to be arguing here for days over a $100,000,000 for them when by mere notice from Europe we are told we shall lose $140,000,000 that they refuse to pay us on debts they acknowledge they owe, and which represents only a tiny interest on cash money we turned over to them.

We wanted it, moreover, distinctly understood when we went over there that the debts were not to be discussed. Still they are the first thing put to the fore.

Then they talk about tariffs over there and about inflation. They say that there is no use to set tariffs until they stabilize their currencies, as they can cheapen their money to defeat any tariff barriers we may set.

Well, some time ago we gave the President power to set the value of our money. So the market went up. Yesterday we find the stock market fell on a mere rumor that the President has in mind to peg our dollar at 84 cents of its old value in terms of gold.

Tomorrow I suppose he will have to assure the country this is not so to make it move up again. Then it will move again until some other rumor comes out.

England and France are opposed to our setting our dollar where it will have about the same ratio in gold as their money now has. The dollar should be set somewhere around $3.40 to the pound to accomplish this. England wants it set around $4.05. France does not want it that cheap, as they both openly advocate an expensive dollar so they can defeat us in the world markets.

We gave the President power to set our money value on the theory he would need that power in the Economic Conference. It is likely he will not be able to influence our former allies to join with him, so our delegates might as well come home. And then what good is inflation?

Why be battling around in Europe asking them to reduce their tariffs? Over 90 percent of our entire commerce is done within our own States. Let us tend to our own business and our own commerce and our own affairs and our own people and forget this Lady Bountiful pose.

If we raised our tariffs to protect our markets from the deflated currencies of the world, we would have had enough gold to say on gold, without inflation, and would then have prevented this added uncertainty in our business, the uncertainty of the value of our dollar. As matters stand, I cannot see how any business man can know what value to put on goods while prices are going up. And this all because some international bankers insist on doing business all over the world, and to do that we had to get into a currency war so they could compete.

Oh, yes, they say, we need inflation at home also; that it was not only because of foreign competition. In the past we have got out of depressions without such radical measures. We had every reason to believe that we were about to witness a rising price movement in this country without artificial stimuli, because our shelves were empty, the falling prices had made it impossible to manufacture goods. No one would stock up for fear of a falling market. Hence merchants had to wait for their orders to be filled to make a sale.

With guaranty of bank deposits and with confidence in banks returning, there was every reason to believe we

would soon have a rising price level without artificial measures.

Now it appears that we are confusing a rising market with some hallowed price level, arbitrarily set at 1926. If we can only get back to the 1926 price level everything will be all right. I wonder if the average business man is more interested in some certain price level than he is in knowing that the market is rising and that he can safely go ahead with his factory with little worry that prices will fall. It takes production, not a price level, to create purchasing power. Without purchasing power no price level can be sustained.

It seems to me that the rising price level would have led business men back to their work, and with a stable dollar they would be much more confident of the future than they are with this artificial value of the dollar. No one knows from one day to the next what the dollar is worth now. Hence, how can they safely go ahead and do business? Look at the market today. Who can say that this inflation dollar lends confidence to business?

Surely inflation will not cure the maladjustment of population in agriculture. It will not remedy the evil of a 20-percent overproduction of grain and a 50-percent overproduction of cotton. Thirteen million bales of cotton will not be quickly used up because of a soft dollar. We do witness 9-cent cotton now and 75-cent wheat, but for how long? Suppose we continue the usual overproduction, how can inflation cure that?

The fact of the matter is that for many years prior to the war we used our overproduction of wheat and cotton and grain to pay our debts to Europe, but since the war, through tariffs, they have practically placed an embargo on our goods to show their friendly attitude to the nation that saved them.

Where to find foreign markets for the farmer is our problem. How to adjust our agricultural population to domestic consumption is our trouble. But inflation will not do it. Soon we shall have got to the top—to the 60-cent dollar—and then what? Where will the farmer be then? Will he raise more grain than last year? More cotton? If he does, the farmer will be worse off and not better. His fundamental problem is to adjust his production to domestic consumption. We have no foreign market for his products. There is no foreign country with money to pay. Look at China. She borrows from the Reconstruction Finance Corporation. She may never pay back. I am glad the farmer got the break. Now Russia wants to try the same stunt. But will the Reconstruction Finance Corporation be able to finance all foreign countries who want to buy our grain? If not, we are back at the old post—overproduction of grain and cotton.

The World Conference will settle nothing. How can we cut tariffs with a currency war on? How can we peg the dollar without tariff and risk dumping in our country?

In foreign affairs we may as well admit we need tariffs and less entangling alliances. If we can stand in with our neighbors in the Western Hemisphere, we do well, and we will be on solid ground—on the Monroe Doctrine—in line with Washington's admonition. To roam about in Europe, in Asia, in Japan, is to encourage trouble.

Let us keep our tariffs. We should not abandon the gold standard for some mythical results to be got at any London Conference and throw added uncertainty into the business world. Let us adjust our farming population to meet domestic needs.

Let us use a little more American Constitution, a little more of Washington's advice, a little more of the Monroe Doctrine; let us use our gold for our money and forget about Europe, and maybe eventually we may even have enough money so we can do as much for our boys as we have done for Europe. While we waste time on mythical conferences to peg the dollar, to cut tariffs, and to cancel our debts, we neglect both our farmers and our veterans and leave them to depend on what Europe may do for us, and that, we should know, is nothing.

It was the international bankers that took us into the World War. They loaned money to our allies. They would have no doubt loaned it to Germany if they could, but the English Navy kept the German ships pretty well locked up. The loans became so large and the Allies were getting whipped that it soon became evident to them that if they were to save their money they must get the United States into the war on the side of the Allies. We had really as much reason to go to war with England as we had with Germany. England was trampling under her feet every freedom-of-the-sea right we had. So the international bankers began propagandizing the country, with the aid of fiction writers called "correspondents" through the newspapers, through propaganda in the pulpit, over the radio, and in all sorts of ways just as the Economy League, backed by the same sort of personnel, is putting over the propaganda today in an effort to cut down the just compensation of the disabled veteran.

Aye, Mr. President, we went into that war only because of propaganda.

I have heard men speak here on the floor who were strong for the bankers but weak for the poor devil of a soldier who fought to keep the bankers alive and going. Where would their bankers be if it had not been for the soldier, if it had not been for the boys who went to France and shed their blood and gave their lives?

I was in Paris when the Big Bertha shells were pouring in there. I was in Paris when the Parisians were moving out. German patrols were captured within 6 miles of Paris. The Frenchmen were not standing, they were being driven back; the Prussian Guard, headed by the Crown Prince, with five German divisions, had captured Belleau Wood and, with their great guns trained upon the road to Paris, cleared it for over 10 miles in advance, and the German troops were coming forward at the rate of from 4 to 5 miles a day as steady as clockwork. So confident were they that they were going into Paris that the Prussian Guard, as will be remembered, put on their dress suits, starched-bosom shirts, and spiked helmets because they thought they were going into Paris and no one could stop them. The Italians believed they were, the English believed they were, and the French themselves believed they were. The only ones who did not believe it were 15,000 Americans who were thrust into the line by Foch just as a sort of stopgap. He did not have much of an idea that the American soldier was any good. They wanted us to send our troops over there to be fed into their lines without American generals and without American military organizations. The Allies did not even want us recognized in the war as a nation; but the French troops were forced back, and finally Foch, in order to gain time so that reenforcements might be brought up near Paris, picked out four handy American regiments—the Fifth and Sixth Marines, the Ninth and Twenty-third Infantry of the Second Division. Fifteen thousand of our men were loaded into trucks and in the dead of night taken out toward the front. They passed retreating French troops, who said, "Go back; you're zigzag; you are crazy; sure death is ahead"; but the American soldier does not go back with an enemy in front. So our troops were landed there in the rain and in mud up to their knees, and in the morning faced an attack by five German divisions, headed by the Prussian Guard, which had never been defeated in 4 years of war. Those 15,000 Americans fought them, turned them back, defeated them, and began the rout that 6 months later ended in the victory of the Allies.

As I have said, every person in every land who knew the situation and facts believed that the Germans were marching into Paris; they all believed it except these 15,000 boys, there in the mud, who met the Germans at the break of dawn and turned them back and thereby turned over to our noble allies the spoils of the world which they have today; and they still are refusing to pay the tiny rate of interest that it was their own proposition to pay. The Germans thought from the way the Americans fought that they were there by the hundreds of thousands. So well did our boys fight that wherever they were lined up with the Allies the American salient was always the farthest advanced. Foch and other commanders tried to get them back to straighten out their lines with the French, and repeatedly quarreled with the officers. Finally one American officer was put upon

the carpet and asked why he did not obey orders and take his boys back and get them straightened out with the French line, and he replied, "How the hell do you expect me to hold them back when the whole damned German Army cannot hold them back?" [Laughter.]

That is the kind of soldiers we had over there. I followed along there in the Chateau-Thierry drive, and I had pointed out to me where lay five or six dead Americans leading to a German machine-gun nest; over there 10 Americans strewn along in the capture of another of the German machine guns. That is the way our boys died. They died with the bullets in front. They were wounded by shell and choked by gas, and some of them are here today, a part of the wreckage of that war. They gave everything to that war. Our boys won it. If they had not been there the allied cause would have been lost. Because of our boys being in that war the Allies won.

You Democrats did not conscript wealth, you merely conscripted these boys, to make the world safe for the international banker, and it seems, from all I have gathered during this session, that you are still hard at work at your old job for the old master, and now wealth needs some money, and wealth says, "Conscript these poor devils; they cannot defend themselves; let us take the money from them." No wonder they should say, as they did of Pershing, "What a liberal cuss," taking the money by this fake economy law, which has turned every power Congress had over into the hands of what seems to me to be working out to be a true dictator. If we must delegate our power, let us delegate it to somebody in sympathy with the boys who fought our battles. We have delegated the power, and the money is taken from the soldiers; and more than that—it is put into the "sapling" camps, and members of the "sapling army" go into the soldier hospitals; the soldiers are kicked out and the little favorite saplings are put in their beds. Is that justice? Is that what we are seeking to have done here tonight? Is that the kind of thing we want the veterans to read in the RECORD tomorrow morning, that we were afraid to give them justice? We conscripted and paid a dollar a day to the soldiers who fought our battles, but for clerks who stayed at home we appropriated money to raise their salary and in addition gave them a bonus. We bonused everything; we bonused he railroads; we bonused every contractor in the country; but when bonus was mentioned for the soldiers after they had won the war, you gave hardly enough at the high prices then to buy a shoddy suit—$60. Then there came the "graveyard bonus" proposition that would not have been considered for anybody else. Certainly big business must be taken care of.

I heard one of the Senators say to us that he was so interested in bankers' legislation that he had not had time to pay any attention to the soldiers who fought our battles, and that we have got to have bankers to depend on to stand by and keep this country going. But where would his bankers be if it had not been for the soldier? It is the soldier upon whom the banker stands. It is the soldier upon which law and order and civilization must stand. Oh, yes! We loaned $12,000,000,000 to 12 different nations and we borrowed the money from our citizens. We took a club and went out and hit them over the head and made them buy the bonds, many of them, and they did buy them.

I heard a Senator say the other night that we put good money into the war, but that money was not anything in comparison to blood. I agree with him, but we put blood in there and we put money. We did it without thought of compensation to us to please the international bankers. The Allies had no claim on us to go across the sea, and what we did should certainly be recognized by the allied nations. They certainly should recognize and thank us instead of telling us that we got over too late, instead of doing the things that they are doing to us today.

When I was in Paris the French people were so rejoiced that the Americans were over there that everything was "just lovely"; it could not be otherwise—and I think it is so with the common people over there today—but the politicians got to work after the war was over. We had over $400,000,000 worth of goods and supplies in France, and Senators will remember that we sold them to the French Government for something like 10 percent and took their note for 10 years, at no interest, and the agreement was that they should keep those goods and not resell them in the United States. The ink had hardly dried on the paper when shiploads of shoes and clothing began to pour in here; and it will be remembered that we had to pass a hurry-up resolution to prohibit it. So you see, Mr. President, how they keep their word; you see what their word is worth. We do not want the American soldier to get the idea that the Government of the United States is keeping its word like that.

We pledged ourselves almost unanimously—I think there were only 5 or 6 votes against it—to give these soldiers certain rights, and under legislation enacted by the House and by the Senate these soldiers were to be given certain sums of money. That was a contract, and God knows they had some right to rely on it. They said, "There it is; Uncle Sam for whom we fought is doing this for us." But along comes the economy bill. It never should have been passed; never in the world should we, in this country, turn over absolute authority to any one. That is contrary to the Constitution. I heard my friend from Michigan [Mr. VANDENBERG] say here the other night that the Constitution is an old-fashioned document in the "new deal"; but let me say to my friends on the Democratic side, do not let them crack the whip over your backs; do not allow them to get you tonight to vote against humanity and right or you will not sleep well hereafter. Stand by your guns; stand by your opinions, believing that your soul is worth more than any patronage that can possibly be given to you by the dictator. Stand by your conscience and vote for humanity; vote for the men who have stood for their country, who have fought the battles of your country.

Senators, you remember the story of the Holy Grail. It was right outside the door. That is where it is tonight; it is right here in the hands of the veterans. That is where the Holy Grail is. Do not get excited when you hear the crowd yelling for Barabbas. You will remember that when Pilate washed his hands so nice and clean, the crowd yelled "Barabbas." Why are some Senators preparing to change their vote? They are just washing their hands nice and clean. I heard all along the Republican line during this battle, "That fellow is going overboard. He is getting ready to take a dive. Oh, that is too bad", and it is too bad. It is too bad, my friends, that you will not stand and fight as these boys fought. Why exhibit such cowardice, and be driven away from doing what you know is right? Stand by justice and humanity! It will be remembered that when Pilate washed his hands of the Savior, he said, "Let me give you this other man and let me pardon Christ." But the mob yelled, "Oh, no; we want Barabbas!"

My friends, do not yell for Barabbas. Ask for humanity. Ask for the Christ that is here. The Holy Grail is right here in front of you in the persons of the veterans who fought your wars. Stand by them. This is not a party question. It will not get you anything but the contempt of the men who saw you change your minds and sneak away and vote for a little patronage benefit; that is what Judas did for 30 pieces of silver, but he had the decency to go out and hang himself after he had had time to realize his perfidy.

In a few moments the vote will have been taken, the fate of the injured soldier decided, and with him perhaps the fate of his country.

Congress will then come to an adjournment but just before that adjournment the customary message of the President will be read, and no doubt he will thank you Democrats for your stanch work and the way you stood by him in getting over his dictatorial powers, and especially he will thank you for tonight's work for he already knows the outcome.

It seems to me that I hear him say in the words of Mark Antony after his funeral oration over Caesar wherein he

had aroused the citizens and they had carried out the stab-riddled murdered body of Rome's first soldier:

> Now let it work; mischief, thou art afoot,
> Take thou what course thou wilt.

The VICE PRESIDENT. The question is on agreeing to the conference report, on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LEWIS (when his name was called). I have a pair with the Senator from Connecticut [Mr. WALCOTT]. If he were to vote, it is to be announced that he would vote "nay." If I were to vote, I would vote "yea."

Mr. McCARRAN (when his name was called). I have a general pair with the senior Senator from Nebraska [Mr. NORRIS]. Not knowing how he would vote, I withhold my vote.

Mr. WAGNER (when his name was called). On this vote I am paired with the senior Senator from Missouri [Mr. PATTERSON]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

The roll call was concluded.

Mr. LEWIS. I am instructed to announce that the Senator from Georgia [Mr. GEORGE], who is absent on account of illness, is paired with the Senator from Delaware [Mr. HASTINGS] and that the Senator from Florida [Mr. FLETCHER] is paired with the Senator from Ohio [Mr. FESS]. I am advised that if present the Senator from Florida [Mr. FLETCHER] would vote "yea", the Senator from Georgia [Mr. GEORGE] would vote "yea", and the Senator from Ohio [Mr. FESS] and the Senator from Delaware [Mr. HASTINGS] would vote "nay."

The junior Senator from Massachusetts [Mr. COOLIDGE] is necessarily detained on official business.

The senior Senator from Nevada [Mr. PITTMAN] is absent from the Senate on official business, being a delegate to the London Economic Conference.

The senior Senator from Florida [Mr. FLETCHER] is necessarily detained.

The Senator from Colorado [Mr. COSTIGAN] is unavoidably detained. I am not advised as to how he would vote if present.

Mr. HEBERT. The Senator from New Hampshire [Mr. KEYES] has a general pair with the Senator from Massachusetts [Mr. COOLIDGE]. I am informed that if present the Senator from New Hampshire [Mr. KEYES] would vote "nay", and the Senator from Massachusetts [Mr. COOLIDGE] would vote "yea."

I also desire to announce that the Senator from South Dakota [Mr. NORBECK] and the Senator from Missouri [Mr. PATTERSON] are necessarily absent from the Senate. Both of those Senators if present would vote "nay" on this question.

The result was announced—yeas 45, nays 36, as follows:

YEAS—45

Adams	Byrnes	King	Smith
Ashurst	Caraway	Logan	Stephens
Bachman	Clark	Lonergan	Thomas, Okla.
Bailey	Connally	McAdoo	Thomas, Utah
Bankhead	Dieterich	McGill	Thompson
Barkley	Dill	McKellar	Tydings
Black	Duffy	Murphy	Van Nuys
Bratton	Erickson	Pope	Wagner
Brown	Glass	Reynolds	Walsh
Bulkley	Gore	Robinson, Ark.	
Bulow	Harrison	Russell	
Byrd	Kendrick	Sheppard	

NAYS—36

Austin	Davis	Kean	Robinson, Ind.
Barbour	Dickinson	La Follette	Schall
Bone	Frazier	Long	Shipstead
Borah	Goldsborough	McNary	Steiwer
Capper	Hale	Metcalf	Townsend
Carey	Hatfield	Neely	Trammell
Copeland	Hayden	Nye	Vandenberg
Cutting	Hebert	Overton	Wheeler
Dale	Johnson	Reed	White

NOT VOTING—15

Coolidge	Fletcher	Lewis	Patterson
Costigan	George	McCarran	Pittman
Couzens	Hastings	Norbeck	Walcott
Fess	Keyes	Norris	

So the conference report was agreed to.

Mr. GLASS. Mr. President, as I hope the Senate has observed, I did not desire to interpose my personal affair to prevent a vote on this important measure, and three times desisted when I desired to speak. Very likely I should be content with the record as it stands, except that I should very likely, for the RECORD, make a statement as to my relation with this particular question of the veterans' compensation.

As already indicated to the Senate, I was incessantly engaged with banking legislation when this particular matter came up for consideration before the Committee on Appropriations, of which I am chairman. I also am chairman of the subcommittee of that committee having charge of the independent offices appropriation bill. Knowing that it would be impossible for me to give attention in detail to these important matters, I requested the Senator from South Carolina, next ranking on the subcommittee, to take charge of the bill, and that he did; and I gave little attention to the discussion until the last 2 days, when banking legislation was enacted. In the last 2 days, however, I took my place in the Senate; I heard every word of the discussion indulged in by the Senator from New Mexico [Mr. CUTTING] and the Senator from Oregon [Mr. STEIWER] on one side, and the Senator from Texas [Mr. CONNALLY] and the Senator from South Carolina [Mr. BYRNES] and perhaps other Senators on one side or the other.

I am not quite so stupid, as the Senator from New Mexico implied, as not to have been able, by listening to these discussions, to get a fairly comprehensive idea of the differences between the proponents of one side and the proponents of another side of this question. I recall very distinctly that when an attempt was made in the Senate to instruct the conferees, and when that attempt was resisted, there was exacted from my colleague the Senator from South Carolina [Mr. BYRNES] an agreement that the House amendment should not be agreed to by the conferees on the part of the Senate unless it should first be brought back to the Senate; and while I did not openly participate in that agreement, I felt that by my silence I was committed to that plan of procedure. With that understanding, we went into conference.

Of course, I followed my colleague from South Carolina in nearly all matters of detail, because having put upon him the burden of considering these matters involving conversations with the White House, with the Veterans' Bureau, and with leaders of both House and Senate, nothing could have been more ungracious in me, except upon a matter of principle, than to have contested mere details agreed to by the Senator from South Carolina.

We went into conference and kept faith strictly with the Senate, refusing positively to agree to the action of the House, and compelling the House conferees to take the so-called "Steiwer-Cutting amendment" to the House for a formal vote. That was done; and the action of the House thus taken was reported back to the Senate, and full opportunity thus given to the Senate either to concur in the action of the House, or to send the bill to a free conference between the two Houses, or to send the bill to conference under instructions to the Senate conferees.

The bill was sent back to a free conference; and for 2 hours the same question of construction that occupied the Senate for hours was gone into; and I—modestly, I hope—impute to myself enough of ordinary intelligence, contrary to the assertion of the Senator from New Mexico, to have understood the argument presented by the Senator from Oregon, and the contrary argument made by the Senator from South Carolina.

I felt then, as I am convinced now, that the construction of the Senator from South Carolina was the correct construction of the text of the bill proposed; but, regardless of that judgment on my part, I took every precaution to interrogate the House conferees to ascertain from them whether they would agree to any modification of the action of the House beyond the incorporation of the amendment proposed by the Senator from South Carolina and once adopted by the Senate.

The answer of the House conferees was unqualified and unmistakable. They stated that they would not agree to any modification; they would not accept the construction placed upon the text of the proposed bill by the Senator from Oregon; and they insisted upon the amendment of the House, as modified by the amendment of the Senator from South Carolina.

Knowing that that was all that could be gotten, having been very definitely apprised of the fact that the President would veto the bill should any further concession be made to the proponents of the Steiwer-Cutting amendment, we were faced with the practical situation of either yielding to the House or inviting an inevitable veto by the President, which in our judgment could not be overridden. The Senate yielded and made its conference report. That, I think, is an incontestable statement of the facts.

Then we had from the Senator from New Mexico the most extraordinary and, I venture to say, the most unprecedented performance that has ever been witnessed in the Senate of the United States, of personal attacks upon Senators who exercised their conscientious judgment and recorded it in a conference report.

The suggestion first was made that Senators agreeing to the conference report were for some reason afraid to have it known. That was the suggestion made in his most amiable mood by the Senator from Oregon, who is never quarrelsome but always tactful, but sometimes rather suggestive. But then the Senator from New Mexico seemed to single out the senior Senator from Virginia for some reason, to reproach him with some large degree of culpability because at some time or other when the Treasury was flush, when the country thought it was prosperous, when fortunes were being made on paper in speculation, the Senator from Virginia had voted in some sense of liberality for persons on the pension roll who had no service connection.

There was called to my attention in the course of the conference what very likely I had known before, but was then stressed, that the President of the United States was given unqualified authority to determine these matters; and I, for one, assumed that he would not determine them in a sinister way, or in the harsh and brutal way which has been imputed to him in discussion here tonight.

Knowing him personally as I have for 20 years, regarding him as one of the most philanthropic and humane men I have ever known, it was inconceivable to me that he would himself take hostile action against veterans whose disabilities might be attributed to the service, or that he would sanction harsh or unjust action in any other branch of the Government. Therefore I signed the report without hesitation.

I could have made no concealment had I desired to make any, and I have never in my public life desired to conceal an opinion or a vote I have ever cast. When I sought to interrupt the Senator from New Mexico, in a way quite as brutal as the cruelty imputed by him to the Director of the Veterans' Administration and to the Director of the Budget, if not to the President himself, he abruptly declined to be interrupted, although the RECORD will show that I permitted him to interrupt me three times this evening when I had the floor. I was never before so astonished in my life. Then he proceeded to make a statement the only implication of which was that the Senator from Virginia had been guilty of a despicable alteration of the RECORD and had inserted in it something which had not occurred.

Mr. President, so far as participation in the World War through those of my blood and bone, so far as support of this Government and the country during the World War are concerned, I am perfectly content to make contrasts with the Senator from New Mexico. So far as sympathetic consideration with veterans who may trace their disabilities to actual service is concerned, I assert that the records will show that my sympathy exceeds his and that my generosity surpasses his.

I have said that were I the President of the United States acting under the economy law, I would not subtract a thrip from the compensation of any veteran whose disability may be traced to actual service for his country in any war. So far as my information extends, I have no reason to believe or suspect that the President of the United States desires to reduce the compensation of such men or their dependents.

The Senator made one statement which, had he omitted it from his attack upon me, wanton and unprovoked as it was, I should very likely have been content to let the record stay without another word. He said that I had presumed upon the affection of my colleagues, upon the esteem in which they held me, to insult them at my pleasure.

I challenge any Senator here to search this RECORD in either House for 32 years and to show where I ever initiated a dispute with a colleague in the other House or in the Senate for the last 13 years, during the time I have been here. There is a single man on the other side of the aisle who may think that on one occasion I spoke harshly of him; but, in my view, the provocation was great. There is but a single man on this side of the Chamber to whom I have spoken harshly, under the gravest provocation. But with neither one of those two Senators did I ever initiate a dispute. I believe in the doctrine of Abraham Lincoln on that point, said to have been written above his office door:

> Beware of entering into a quarrel; but once in, make the other man beware of you.

It hurt me to the quick to be told that I had presumed upon the affection and esteem of my colleagues to insult any one of them. There is not the semblance of truth in the accusation. Although I am not accustomed to being proud of myself in any sense, I have often said that the greatest satisfaction of my public life was the belief that on both sides of this Chamber, perhaps on the other side more than on this, I had the respect and devotion of my colleagues.

For the Senator from New Mexico I had the greatest esteem, approaching the point of affection, had so high a regard for his character and intelligence that he knows that I advocated his appointment to the President's Cabinet, and urged him personally to accept the position of Secretary of the Interior. After this unprovoked attack upon me he spoke of my vote, as if he could imagine that I could ever fear the result of my action here presented to the people of Virginia, as if he could intimidate me to alteration of my views or a change of my vote by citing to the Senate my attitude on this question—something so astonishing that I shall not soon recover from the amazement of such a performance. Then to tell me of his love and affection for me!

If I could quote Scripture as accurately as the senior Senator from Louisiana, I would be tempted to illustrate the loving affection the Senator from New Mexico entertains for me, as I gather from his unprovoked assault here in the Senate Chamber tonight. I was reminded of that scene in the Palestine desert where Joab met Amasa, and, following the Jewish custom, took him by the beard with one hand and kissed him on the cheek and said, "Art thou in health, my brother?" But Amasa observed not that Joab carried in his right hand a dagger, and with it he smote Amasa, and shed out his bowels to the ground. That is the sort of affection the distinguished Senator from New Mexico has manifested toward me here in the Senate, simply because I acted upon my judgment and my conscience in trying to get, as I conceived, something for the veterans, rather than nothing.

I am distressed to think that my accustomed poise and well-known amiability were so disturbed that I had to apply what it seemed to me was a suitable epithet in response to the utterly unprovoked accusation made by the Senator from New Mexico. I do not like to figure that way in the CONGRESSIONAL RECORD nor before my colleagues, but with this statement of the record I have no apology to make.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive

bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 813. An act to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit;

S. 815. An act to provide for the survival of certain actions in favor of the United States; and

H.R. 5389. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J.Res. 207) requiring agricultural products to be shipped in vessels of the United States where the Reconstruction Finance Corporation finances the exporting of such products, was read twice by its title and referred to the Committee on Commerce.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, June 16, 1933, that committee presented to the President of the United States the following bills:

S. 813. An act to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit; and

S. 815. An act to provide for the survival of certain actions in favor of the United States.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. CUTTING. Mr. President, if the Senator from Virginia, whom I still esteem and admire, believes that I treated him with the same degree of brutality with which the Director of the Budget has treated the disabled veterans of the country, then I want to tender to him my sincere apologies. I have not the slightest idea that anything I said could be characterized in that way.

If the Senator from Virginia had listened until I had completed my sentence he would have seen that I did not accuse him in any way of what he calls "a despicable alteration of the RECORD." When he reads the RECORD in the morning, he will see exactly what I said, and he will see that the sentence as a whole accuses him of nothing of the sort, although in the middle of the sentence, with his usual speed of action, he rose to his feet and accused me of mendacity.

Mr. President, I am not going to initiate any kind of a feud with my distinguished friend the Senator from Virginia; I think just as highly of him as I have thought of him ever since I have been a Member of this body; and I hope that, on reflection, he may again award to me some part at least of the esteem which he tells us he has felt for me in the past.

However, Mr. President, the issue which I raised with the Senator from Virginia was not in any sense a personal one. It is a question which seems to me of the gravest importance for the Senate of the United States. I do not wish to be diverted from the question of public policy by any bandying of epithets between individuals on the floor of this body. The Senator from Virginia has repeatedly stated that he was so busy with banking legislation that he had not had time to give attention to the subject of veterans' laws. Nevertheless he went on the conference committee. When he went on the conference committee, according to the statement which he has just concluded, he listened to arguments of the Senator from South Carolina opposing the attitude which the Senate had taken and to arguments of the Senator from Oregon supporting the attitude which the Senate had taken, and he followed his colleague from South Carolina against the wishes of a majority of the Senate.

Mr. BYRNES. Mr. President, will the Senator from New Mexico yield to me?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. CUTTING. I yield.

Mr. BYRNES. I did not hear the statement this evening, but certainly the Senator from Oregon would say that what has just been said is not a correct statement of the facts. The question discussed by the Senator from Oregon and the Senator from South Carolina was as to the interpretation of certain language. The contention of the Senator from South Carolina was that the effect of the language of the Byrnes amendment and of the Steiwer-Cutting amendment which was in dispute was exactly the same, and the argument on the part of the Senator from South Carolina was not against the position of the Senate.

Mr. CUTTING. Exactly.

Mr. BYRNES. It was simply a question between us as to the proper interpretation or construction of the language.

Mr. CUTTING. But the interpretation which the Senate had given to that language was in harmony with the opinion of the Senator from Oregon or the Senate would not have acted as it did last night. If these two amendments meant exactly the same thing, there would not have been any point in sending the bill back to conference.

Mr. BYRNES. The Senator from New Mexico should be fair about that. There was a difference, but the dispute was only around one section of the bill. Of course there were differences between the bills, and the Senator from South Carolina stood for the Senate bill in that discussion.

Mr. CUTTING. Mr. President, I am glad to hear the Senator from South Carolina say that he stood for the Senate bill in the discussion, but the point I am trying to make is that the Senate conferees had instructions from the Senate of just as sacred and just as binding a character as the conferees on the part of the House had from the body which they represented. The conferees of the House had been instructed by their body in favor of a certain proposition; the conferees on the part of the Senate had been instructed in an equally binding fashion, to support the Senate proposal. If that was an unhampered conference between equals, I repeat that the conferees on the part of the Senate should have at least obtained a compromise somewhere between the terms of the Steiwer-Cutting amendment and those of the House amendment. There was a large degree of latitude between those two propositions. When the Senate conferees came back here and surrendered, I think they were entitled to criticism, and it is that criticism, with neither personal feeling nor personal motive in view, which I endeavored to express in the remarks which offended the Senator from Virginia.

I think that is a very fundamental proposition, Mr. President, and I hope that when we come back here in January we will take measures which will prevent Members from serving on conferences when they are not genuinely and firmly and sincerely convinced of the soundness of the position taken by the body which they represent.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to a concurrent resolution (H.Con.Res. 24), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Friday, the 16th day of June 1933, and that when they adjourn on said day they stand adjourned sine die.

RAILROAD SALARIES

Mr. DILL. Mr. President, out of order, I ask unanimous consent to have printed as a public document a report from Joseph B. Eastman in regard to the salaries of railroad officials 1932–33. It is supplementary to a public document of last year and brings the data down to date.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

DEMOCRATIC PLATFORM PLEDGES AND THEIR FULFILLMENT—LEGISLATION OF THE SPECIAL SESSION, SEVENTY-THIRD CONGRESS

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a review of the legislation of the session, together with data and memoranda with reference thereto.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON of Arkansas. Mr. President, President Roosevelt was elected on a platform which, in plain and simple terms, pledged his administration to a definite program of action for the relief of conditions which had become intolerable. That platform declared that the only hope of affording permanent relief lay in a drastic change in governmental policies. It further declared that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power.

The special session of the Seventy-third Congress, of which a large majority in both Houses is Democratic, was charged with enacting the measures necessary to carry out the legislative program of the Executive in order to fulfill the platform pledges. This Congress, which covered a period of about 90 days, has made a record unparalleled for speed and effective action. Taken in connection with the Executive acts of the President, it furnishes incontrovertible evidence that the pledges of the platform upon which the present administration was elected have all been kept when final action was possible, and the remaining problems have been advanced to a stage which promises early ultimate results.

The manner in which these platform pledges have been kept can best be shown by enumerating them and reciting the action taken for their fulfillment:

THE PLATFORM

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

THE FULFILLMENT

On the second day of the present session President Roosevelt transmitted an emergency economy bill, which empowered him to establish a revised pension system and authorized a reduction of Federal salaries up to a maximum of 15 percent, effective for the fiscal year 1934. This measure, in connection with the authorization for the reorganization of departments and bureaus and economies effected in the appropriation bills, was estimated to bring about a saving in excess of $1,000,000,000. This estimate has been modified by other legislation favorable to veterans, which tends to reduce the amount of annual savings to about a billion dollars, which is equal to a reduction of 25 percent of expenditures as pledged in the party platform.

THE PLATFORM

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

THE FULFILLMENT

The emergency economy law, in connection with reductions in the annual supply bills and reorganizations in the departments, accomplished the balancing of the Budget.

It is proper to state that measures have been enacted authorizing the employment of Government credit for purposes deemed essential to national recovery; but it should also be stated that for the most part additional revenues have been levied to service these unusual Federal activities, such as unemployment relief, public works, and industrial control. The continuation of somewhat irksome taxes and the imposition of higher rates in some instances, in order to support essential sinking-fund arrangements, is believed to be fully justified as the sound and proper method of maintaining the national credit while initiating undertakings calculated and intended to revive business and revitalize industry.

PLATFORM PLEDGE

Pending repeal (of the eighteenth amendment) we favor immediate modification of the Volstead Act to legalize the manufacture and sale of beer and other beverages of such alcoholic content as is permissible under the Constitution and to provide therefrom needed and essential revenue.

THE FULFILLMENT

During the regular session of the Congress following the election of President Roosevelt a joint resolution submitting the question of repeal of the eighteenth amendment was passed by the necessary two-thirds vote in both Houses. The legislation carrying out the promise to modify the Volstead Act by legalizing beer of alcoholic content believed to be within the constitutional limit was promptly enacted following the inauguration, and the sale of beer was permitted in States whose laws did not prohibit the same. The revenue from the beer bill is an important factor in the balancing of the Budget. Originally estimated at between one hundred and twenty-five million and one hundred and fifty million dollars, the returns from this source indicate that annual Federal revenues from beer will amount to $250,000,000.

THE PLATFORM

We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages through reorganized farm-bank agencies at low rates of interest on an amortization plan giving preference to credits for the redemption of farms and homes sold under foreclosure.

Extension and development of farm cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of the cost.

THE FULFILLMENT

Within 2 weeks after the new administration came into power, a farm relief bill was presented to the Congress. Under it the President was granted wide powers over the production and distribution of basic agricultural products. He was also authorized to cause to be expanded the currency of the National Government. The farm legislation enacted by this Congress also includes a provision for refinancing the farm debts, by exchanging farm mortgages for Federal land-bank bonds with interest guaranteed by the Treasury. The legislation for refinancing farm mortgages at lower rates of interest, supplementing the Federal Farm Loan Act and providing for the orderly liquidation of joint-stock land banks and for other purposes, was introduced in this body as early as April 3, 1 day less than a month after the inauguration of the new administration. In addition to providing $2,000,000,000 for exchange of unpaid farm mortgages for Federal land bank 4-percent bonds, it supplies loans of $200,000,000 to farmers through the Reconstruction Finance Corporation in refinancing themselves and redeeming foreclosed property.

There are many other features of the legislation all beneficial to the farmer and designed likewise to protect the holders of farm mortgages.

When the President signed the farm relief bill he made a special appeal to mortgage creditors to abstain from foreclosure proceedings, and received many favorable responses from the large insurance companies holding such mortgages directing the suspension of foreclosures.

THE PLATFORM

We condemn the extravagance of the Farm Board and its disastrous action which made the Government a speculator of farm products.

THE FULFILLMENT

By Executive order issued March 27 President Roosevelt abolished the Farm Board and consolidated all of the agricultural credit agencies under one head, to be known as the "Farm Credit Administration" with an administrator, to be known as "the Governor" of the new organization. Large unexpended balances of the Federal Farm Board were thereby impounded and returned to the Treasury.

THE PLATFORM

We advocate the extension of Federal credit to the States to provide unemployment relief wherever the diminishing resources of the States make it impossible for them to provide for the needy; expansion of the Federal program of necessary and useful construction affected with a public interest, such as adequate flood control and waterways.

We advocate the spread of employment by a substantial reduction in the hours of labor, the encouragement of the shorter week by applying the principle in Government service. We advocate planning of public works.

THE FULFILLMENT

The platform pledges made for the relief of unemployment have been more than fulfilled. Within 3 weeks after his inauguration President Roosevelt put in motion one phase of his plan for unemployment relief by transmitting to Congress a bill for the creation of a Civilian Conservation Corps by which 250,000 unemployed would be given work in the national forests and the national parks. In addition to the cash allowance, they receive their food, quarters, clothing, and medical attention. Subsequent action adds 25,000 men from the unemployed bonus army to this reforestation corps. To this extent unemployment is reduced and various communities relieved of the expense incident to the support of 275,000 unemployed persons. The moral result is even greater by removing many youths from the temptations that would beset them in the towns and cities from which most of them are drawn. This involved no present additional taxation, as there was $200,000,000 of unobligated money already in the Treasury heretofore appropriated for public works.

The second phase of the administration's unemployment relief program was the passage of the so-called "Wagner-La Follette-Costigan bill" authorizing the grant of $500,000,000 outright to the States for the care of the unemployed.

The administration's vital blow at unemployment is the gigantic public works bill, transmitted to Congress on May 17, involving the control of industry, which provides for a $3,300,000,000 bond issue, to be retired over a period of years, at an estimated cost of $220,000,000 annually. This legislation was designed for the shortening of the working week, the payment of a decent wage, and the prevention of unfair competition and overproduction. It is limited to 2 years. It is estimated that the entire cost of this plan for Nationwide reemployment can be met by the increased revenues that would follow the repeal of the eighteenth amendment.

Late in the session the Congress passed the Wagner-Peyser employment agency bill, providing for the Federal employment agencies and authorizing appropriations to carry out the same for each succeeding year until 1938.

In addition to these measures for unemployment relief, President Roosevelt has taken steps in behalf of wage earners already employed. In an address to the Chamber of Commerce of the United States he urged its members, representing the principal employers, to refrain from further reductions in wages and to increase wage scales in conformity to the rise in prices. The President also asked the Governors of 13 industrial States to urge the adoption of laws similar to the new minimum wage act of New York State.

INDUSTRIAL RECOVERY

History probably will record the National Industrial Recovery Act as the most important and far-reaching legislation ever enacted by the American Congress. It represents a supreme effort to stabilize for all time the many factors which make for the prosperity of the Nation.

Thus spoke the President as he signed the Industrial Recovery Act, a measure providing $3,300,000,000 for a public-works program—probably the greatest undertaking of its kind ever attempted by the Government.

Continuing, the President said—

The law I have just signed was passed to put people back to work—to let them buy more of the products of farms and factories and start our business at a living rate again. This task is in two stages—first, to get many hundreds of thousands of the unemployed back on the pay roll by snowfall; and second, to plan for a better future for the longer pull. * * * As in the great crisis of the World War, it puts a whole people to the simple but vital test; Must we go on in many groping, disorganized, separate units to defeat, or shall we move as one great team to victory?

The funds provided by this Industrial Recovery Act will be spent in various ways: $400,000,000 for highway building projects; $238,000,000 for construction of new vessels for the Navy; $9,000,000 for new airplanes for the Navy; the Post Office and Treasury Departments are to get by October first $100,000,000 for new post offices, quarantine stations, and so forth.

Further referring to this act, the President said:

In my inaugural I laid down the simple proposition that nobody is going to starve in this country. It seems to me to be equally plain that no business which depends for existence on paying less than living wages to its workers has any right to continue in this country. By "business" I mean the whole of commerce as well as the whole of industry; by "workers" I mean all workers—the white-collar class as well as the men in overalls; and by "living wages" I mean more than a bare subsistence level—I mean the wages of decent living.

THE PLATFORM

We advocate the conservation, development, and use of the Nation's water power in the public interest.

THE FULFILLMENT

One advance step in the fulfillment of this platform pledge is the passage of legislation for the operation and development of the great plant at Muscle Shoals, almost entirely abandoned since the war. As pointed out by President Roosevelt, the potential public usefulness of the entire Tennessee River is involved in this legislation.

Such use—

He said—

if envisioned in its entirety, transcends mere power development: it enters the wide fields of flood control, soil erosion, reforestation, elimination from agricultural use of marginal lands and distribution and diversification of industry * * *. It touches and gives life to all forms of human concern.

This project includes a broad plan for the improvement of the whole Tennessee Valley and is designed to add comfort and happiness to the hundreds of thousands of people there and be generally beneficial to national recovery.

THE PLATFORM

We advocate quicker methods of realizing on assets for the relief of depositors of suspended banks, and a more rigid supervision of national banks for the protection of depositors and the prevention of the use of their moneys in speculation to the detriment of local credits.

The severance of affiliated security companies from, and the divorce of the investment banking business from, commercial banks, and further restriction of Federal Reserve banks in permitting the use of Federal Reserve facilities for speculative purposes.

THE FULFILLMENT

President Roosevelt entered upon his duties facing a banking crisis. A Nation-wide run on the banks of the country had already closed thousands that were weak or insolvent, and if permitted to continue would have brought about the closing of strong and solvent ones. His first Executive order declared a bank holiday so that it might be determined what banks were sound and able to resume business, and to aid those whose assets would warrant assistance that they might also resume. It was a period of terrible suspense for all bank depositors, especially for those whose life savings were involved. One week later the President took the people into his full confidence, explained the situation in such plain terms that every person of common understanding realized not only the necessity for his act but also that it was in behalf of the people themselves. Public confidence was almost immediately restored.

Congress was called to assemble 4 days later, and on that day the President transmitted an emergency banking bill legalizing his acts in the crisis, giving him full authority over the banking situation and providing additional currency to meet any necessity that might arise. The bill invested the President with the tremendous World War powers of regulation over transactions in credit, currency, gold, and silver, including foreign exchange. It also authorized the President, without invoking the war powers, to fix restrictions on the banking business of Federal Reserve members. The result has been that the banks which opened upon the lifting of the ban or since have remained open.

The temporary or emergency banking legislation is supplemented by the passage of the Glass banking bill, which provides for the safer and more effective use of the assets of banks, requires insurance of bank deposits in a limited amount, and prevents the undue diversion of funds in banks from commercial to speculative purposes.

THE PLATFORM

We advocate protection of the investing public by requiring to be filed with the Government and carried in advertisements of all offerings of foreign and domestic stocks and bonds true information as to bonuses, commissions, principal invested, and interests of the sellers.

Regulation to the full extent of Federal power of:

(a) Holding companies which sell securities in interstate commerce.

(b) Rates of utility companies operating across State lines.

(c) Exchanges in securities and commodities.

THE FULFILLMENT

The platform declarations for Federal control over interstate traffic in securities were made effective in a bill signed by the President on May 27. This act is to be administered by the Federal Trade Commission.

THE PLATFORM

We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from executive interference, reciprocal tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

We advocate a sound currency to be preserved at all hazards and an international monetary conference called on the invitation of our Government to consider the rehabilitation of silver and related questions.

THE FULFILLMENT

The continued depreciation of foreign currencies operated notably to the disadvantage of American producers and merchants. In the opinion of many, conditions which had not been anticipated by the previous administration made necessary the grant of extraordinary powers to the President with respect to the content of the gold dollar. Authorization for the issuance of Treasury notes secured by Government bonds and for the purchase by the Treasury of Government obligations is supported by numerous precedents. Manifestly the platform declaration, which declares for an international monetary conference to consider the rehabilitation of silver, did not commit the administration to the obligation to maintain the gold standard in spite of the fact that nearly all other commercial nations of prominence might abandon it.

As early as April 21 the President began conferences with representatives of many of the principal nations of the world with a view to facilitating the work of the International Economic Conference to meet at London. Differences of opinion have developed. Some of them are complex and present great difficulties. The Conference has potentialities of great benefits, but it must be remembered that the representatives of no one government can dominate its proceedings or direct the course that shall be taken respecting problems of vital importance to all the participants.

THE PLATFORM

We advocate a firm foreign policy, including peace with all the world, and the settlement of international disputes by arbitration; no interference in the internal affairs of other nations; the sanctity of treaties and the maintenance of good faith and good will in financial obligations; adherence to the World Court with appending reservations; the pact of Paris abolishing war as an instrument of national policy to be made effective by provisions for consultation and conference in case of threatened violations of treaties.

We advocate international agreements for reduction of armaments and cooperation with nations of the Western Hemisphere to maintain the spirit of the Monroe Doctrine.

THE FULFILLMENT

Demonstrating the firm foreign policy of the present administration and its desire for international peace, President Roosevelt addressed a message to 54 nations in behalf of disarmament and amicable relations. In this message he asked for a solemn, definite pact of nonaggression and that the nations should individually agree that "they would send no armed force of whatsoever nature across their frontiers." It was a courageous and dramatic act of high statesmanship which revived hope for the success of the Disarmament Conference in Geneva.

Thus far I have cited only the record of this session of Congress and acts of the Executive as they apply to the fulfillment of specific platform declarations. It is an incomparable record. The rapidity with which the legislation has been formulated and presented has been equaled only by the promptness with which the Congress has enacted it. I know of no other instance of equal cooperation by a legislative body with the Executive. There have been differences of opinion regarding detail, but they have been quickly composed and the desired result obtained. The Congress has not been a rubber stamp. The most obvious necessity of emergency legislation has been a speedy passport for its enactment, while other measures less urgent, or seemingly so, have been debated in considerable detail. The Congress, however, has realized that much was expected of the Executive, but it also has had a clear understanding of its duties and responsibilities to the people, and has endeavored to meet them as fully and as promptly as the distressful conditions of the country demanded.

This special session has also dealt with considerable important legislation not specifically pledged in the Democratic platform. Among these measures is the railroad reorganization bill, creating the office of Federal Coordinator of Transportation and dividing the railway lines into three separate groups. It also repeals the recapture clause of the Transportation Act of 1920. It provides for definite planning by the railroads with the aid of Federal authority for the purpose of eliminating duplication and waste resulting in railroad receiverships. With the assistance of the Commission it is designed and expected ultimately to overcome operating deficits. The bill also provides for financial reorganizations to reduce fixed charges so that the earnings may not be unduly impaired.

One of the most important measures dealt with by this Congress and not specifically pledged in the platform is the bill providing for the refinancing of mortgages on homes. This legislation creates an emergency loan corporation authorized to issue $2,000,000,000 in bonds which may be sold or exchanged for mortgages, with the interest but not the principal guaranteed by the United States Treasury. It provides also for moratoria on interest payments in case of extreme need.

Incidental to the President's Executive order declaring the bank holiday, he placed an embargo upon the export of gold, renewed later by Executive order.

The joint resolution which declared that obligations payable in gold "obstruct the power of the Congress to regulate the value of the money of the United States and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar coined or issued by the United States" was signed by the President on June 5.

It declares that every provision of every obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency to be against public policy and further declares that every obligation heretofore or hereafter incurred, regardless of whether any such provision is contained therein, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts.

In other words, every dollar in coin or currency issued by the Government is given an equal value and is made legal tender for the payment of public and private debts.

Not all of these legislative acts are permanent changes in our Government, of course. So grave was the emergency and so acute was the distress at the time President Roosevelt took office, drastic and courageous action was imperative. It was with that thought in mind that the Congress acted promptly in providing for some pronounced alterations in the Federal Government. Some of the features of the Agricultural Adjustment Act, provisions of the Industrial Control Act, and the unemployment-relief measures are only temporary in their scope. It is hoped and expected that they will provide the necessary stimulus for industrial and agricultural recovery in the United States. Other phases of the legislative program of this Seventy-third Congress are permanent; and such measures as the Securities Act, the Muscle Shoals legislation, the banking law (Glass bill), and the modification of the Volstead Act to allow taxation of beer should prove of lasting benefit. It is hoped that all the legislation will prove effective as a stimulus of business activities. If what has been accomplished does bring the

country back to normal and permanent prosperity, the cooperation of the majority of Republican Members of this body and House of Representatives must be acknowledged, as they have reciprocated for action by the Democrats in the past Congress.

SIGNS OF BUSINESS REVIVAL

No one who keeps in touch with the daily happenings as recorded by the press can fail to be impressed with the reports from time to time from various sections of the country that there is a decided improvement in business. In the first statement on business conditions by the present Secretary of Commerce, issued on April 26, it was set forth that general business activity had progressed steadily since the latter part of March. It was noted, however, that the statistics for the month of March revealed a general decline.

On the 3d of May, however, the Secretary of Commerce, in a statement on business conditions, called attention to the upward trend in commodity prices, pointing out that the unofficial index of wholesale prices reached the highest point of 1933 in the previous week.

Retail sales were sustained at relatively high levels in many parts of the country.

The improvements noted in a general way by the Department of Commerce on May 3 were more specifically set forth in the financial pages of the press as early as May 7. On that date it was shown that the carloadings for the previous week gained 42,706. An Associated Press dispatch from New York showed that the rise in the stock market during April added nearly $7,000,000,000 to the value of shares listed on the New York Stock Exchange, and that the average price per share of stock had risen from $15.41 to $20.73. It also showed that the markets had continued to gain during the first week in May.

One of the most encouraging signs of the first week of the same month was the reopening of 117 banks, as reported by the American Banker—the largest number of weekly resumptions since the end of March.

In the agricultural field, a much better livestock market was reported, at prices varying from 25 to 40 cents higher around the circuit. Hog prices gained 5 to 20 cents and sheep 10 to 50 cents, according to the individual market. There was an advance in the cotton market which carried the price of July contracts in New York to approximately an 8½-cent level, or about $11 a bale above the low price touched on the reaction of late last March.

Compared with the previous week, wheat on the Chicago market was 8½ cents a bushel higher, with a rise of 9 to 11 cents in rye, 7¾ to nearly 9 cents gain in corn, and provisions showing a rise from 32 to 57 cents.

Chicago on May 6 reported that the March cash income of farmers rose about 17 percent above the February low.

One of the early wage increases of recent date was attributed by the Associated Press on May 6 to Detroit, where the American Store Equipment Corporation announced an increase to about 400 employees of 10 percent. Detroit also reported on the same date that the automobile industry estimated a May output of about 200,000 units, which is 40 percent higher than the volume for May 1932.

New York reported that leather was up from 15 to 25 percent. There was a rise in tire prices for the first time in the year of 1933.

On May 8, following this encouraging news, a New York Stock Exchange firm announced a salary raise of 10 percent "in support of President Roosevelt's program to revive business and increase purchasing power." From Chicago on the same day the Cord Corporation announced a blanket increase of 5 percent to their employees in automobile plants and affiliated industries, affecting more than 10,000 individuals in 25 States.

One week later, on May 13, New York reported the greatest volume of business in recent years in cotton goods. For that same week the first gain in unfilled orders of the United States Steel Corporation since October 1932 was reported, with an increase in steel-ingot production to an estimated 31 to 33 percent of the country's capacity. Since then steel-ingot production has increased to more than 40 percent. For the same week, for the first time in nearly 3 years, electric-output consumption ran at a higher rate than in the previous year. As reported by the Edison Electric Institute, the gain for the week was 3,675,000 kilowatt-hour production. Automobile production for the week of May 13 was the highest weekly figure attained since the week of June 27, 1931. The output was estimated at 51,671 units.

In the lumber business the National Lumber Manufacturers' Association reported new business for the week amounting to 208,665,000 feet. Steel mills at Chicago jumped 28 to 30 percent, and the daily metal trade publication announced that the steel industry for the week was running at 33-percent capacity.

Dow Jones & Co.'s statistician estimated sometime ago that when the mills reached the 35-percent figure they would start doing their bookkeeping with black ink instead of red. For the week ending May 13 hogs reached the price of $4.80, establishing a new high since last September. Wheat in the Chicago market advanced to the level of 75 cents a bushel, or from 31⅛ to 32½ cents above the low point of the season.

On May 17 Secretary of the Treasury Woodin reported that frozen deposits in national banks which had not yet been licensed now total about $1,500,000,000 out of more than $17,000,000,000 of deposits when the national-bank holiday was proclaimed.

On May 22 the Chairman of the Reconstruction Finance Corporation reported that bank reopenings had passed 125 a week and that the Corporation had received back about $500,000,000 of money loaned the banks, trust companies, and related institutions. He cited these and other facts as evidence that the Nation was recovering under the lead of President Roosevelt. As another sign of returned confidence in the fiscal affairs of the Government, the latest issue of a billion dollars in securities by the Treasury was reported on June 8 to be oversubscribed five times, despite the absence of the gold clause.

The increased industrial operation in business and the steady improvement in agricultural prices have been accompanied by increases in employment and in wages of workmen.

The following items are taken at random from the month of May reports in the daily press:

Steel mills at Gary reopened, calling back to work more than 3,000 men.

The pay roll of the Inland Steel Co. at Hammond, Ind., now shows 4,300 employees, estimated to take about 1,500 families off the local relief rolls as a result of newly created jobs.

The national plant of the American Sheet & Tin Plate Co. at Monessen, Pa., resumed 100-percent operation on May 22 with 1,600 men. The plant has been idle since March 15.

The Laughlin Tin Plant at Martins Ferry, Ohio, has advanced to 100-percent operation, adding 300 employees to the 1,200 previously employed.

Seven textile mills in eastern Massachusetts announced wage increases on May 20 to more than 30,000 employees. Some of the increases have been as high as 15 percent. Numerous manufacturing plants in Connecticut and Ohio, including the Remington Arms Co. at Bridgeport and the Goodyear and Firestone plants, have recalled many employees by reason of increased production.

The Pittsburgh Coal Co., in the latter part of May, announced a 10-percent increase of wages to 8,000 miners in 12 of the company's mines, including 1 Kentucky mine—the first upward revision in the company's wages since 1926. Other companies, employing from 1,000 to 1,200 men, also made a 10-percent increase in the wages of their miners.

Four hundred miners in the tri-State district lead and zinc mines in Oklahoma have received wage increases of 25 cents a day.

Four Rhode Island textile companies announced wage increases of from 10 to 12 percent in the latter part of May. Two of them employ 5,500 workers.

A 12½-percent wage increase was also announced by seven Maine cotton mills, affecting 5,000 employees.

Reopening of plant at the Universal Atlas Cement Co. in Indiana on June 1 put between 300 and 400 men back to work.

On the other side of the continent at Portland, Oreg., and Longview, Wash., a pay-roll increase of $150,000 a month in the Douglas fir plywood industry was given 6,000 workers, making their average wage 80 percent of the amount paid in predepression years.

On June 8 a 12-percent increase in wages was given the mine workers of two large Ohio steel companies, while a firebrick company announced wage advances for its 200 employees. At Youngstown, Ohio, the pay roll of industrial plants increased 50 percent in the month of May, according to a special dispatch to the New York Times.

The foregoing are only scattered items of news in the daily press and are only a part of those reported. They are used here merely for the purpose of showing that increases in employment and wages are not confined to any section or to any industry, and that they are made by small employers of labor as well as by the larger ones.

The steel industry is now operating at 50-percent capacity, according to the Iron Age, for the first time since April 1931. This is 15 percent above the dividing line between profit and loss. The last monthly report of the American Federation of Labor estimates that a total of 1,629,000 persons gained employment since the end of March.

The New York Times Weekly Index of Business Activity for the week ending June 10 indicates that the trend of business, as advanced for 12 consecutive weeks, registered a 45-percent gain since the low point in the week ending March 18.

May imports increased $18,588,300, according to the report of the Department of Commerce, the largest advance in any month since the beginning of the downward trend in 1929. This increase is credited to the general improved condition of domestic industry in the United States, requiring large quantities of foreign raw material. May exports increased by $8,781,000, due largely to increased shipments of cotton.

Miscellaneous internal-revenue taxes will show a gain over the last fiscal year of $350,000,000. At the present rate of receipts, they are estimated to amount to $1,500,000,000 annually.

The details of the rise in commodity prices since the inauguration of Franklin Roosevelt on March 4, together with a comparison of the prices on June 6, 1933, with June 7, 1932, are contained in the following table herewith appended:

The Annalist weekly index of wholesale commodity prices

[Unadjusted for seasonal variation]

	Farm products	Food products	Textile products	Metals	Building materials	Chemicals	Commodities
1933							
June 6	82.3	97.8	[1] 93.2	99.3	107.0	95.5	92.7
May 29	[2] 83.9	97.1	[2] 92.3	98.3	107.0	95.5	92.7
May 23	81.3	96.9	87.4	97.1	106.9	95.5	91.1
May 16	81.3	97.3	82.3	96.1	106.7	95.5	91.0
May 9	76.9	94.1	80.6	95.8	106.6	95.5	89.3
May 2	74.9	93.7	77.8	95.2	106.6	95.5	88.2
Apr. 25	71.5	93.4	73.0	94.8	106.6	95.0	86.3
Apr. 18	68.1	89.6	69.4	93.0	106.6	95.0	83.7
Apr. 11	67.5	89.4	67.2	93.3	106.6	95.0	83.3
Apr. 4	65.3	87.1	66.0	92.7	106.6	95.0	81.7
Mar. 28	65.4	87.1	66.8	94.0	106.6	95.5	82.0
Mar. 21	65.9	88.7	67.5	94.4	106.6	95.5	82.7
Mar. 16	66.0	87.8	68.0	95.1	106.5	95.5	82.7
Mar. 3	62.8	84.2	65.3	93.8	106.5	95.5	80.4
1932							
June 7	64.8	90.6	69.1	96.0	107.3	96.0	87.4

[1] Preliminary. [2] Revised.

The following table shows prices received for staple agricultural products by months since the inauguration of President Roosevelt, compared with the month of May 1932, as estimated by the Department of Agriculture. The index basis is 100 for 1910–14:

	May 1933	April 1933	March 1933	May 1932
Farm prices received:				
Cotton [1]	65	49	48	42
Grains	62	47	36	49
Meat animals	65	57	56	59
Poultry products	62	56	54	60
All groups	62	53	50	56

[1] Including cottonseed.

DEMOCRATIC PLATFORM PLEDGES AND THEIR FULFILLMENT

PARTY PLEDGE	PARTY PERFORMANCE
1. Agriculture, restoration of.	Message from the President March 27 advocating reorganization of the agricultural credit agencies of the United States. Message from the President April 4 proposing the refinancing of mortgage and other farm indebtedness. H.J.Res. 135 (Public, No. 5, approved May 1). To provide loans to farmers for crop production and harvesting. H.R. 3835 (Public, No. 10, approved May 12). To relieve the national economic emergency by increasing agricultural purchasing power. H.R. 5790, Farm credit bill.
2. Armaments.	President's message May 16. To heads of sovereign nations expressing hope that peace may be assured through practical measures of disarmament.
3. Army and Navy, adequate.	Policy of naval and military establishments to maintain adequate defense, including replacements of obsolete equipment.
4. Banks, sound.	Message from the President April 9 asking control over banks. H.R. 1491 (Public, No. 1, approved Apr. 9). Providing relief in the existing national emergency in banking. H.R. 3757 (Public, No. 4, approved Apr. 24). Providing for direct loans by Federal Reserve banks to State banks and trust companies. S. 1415 (Public, No. 20, approved May 20). Removing the limitations on national banks. H.R. 5661 (Public 66, approved June 16). To provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations.
5. Budget, balanced.	Message from the President April 10 asking prompt action respecting finances to balance Budget. H.R. 2820 (Public, No. 2, approved Apr. 20). To maintain the credit of the United States. (Tremendous cuts for all departments, together with authority for the President to consolidate departments in the interest of economy and efficiency.)
6. Children, protection of.	Child labor prohibited under regulations of Industrial Recovery Board.
7. Economy, reduction in Government expenditures 25 percent.	H.R. 2820 (Public, No. 2, approved Apr. 20). To maintain the credit of the United States. (Tremendous cuts for all departments, together with authority for the President to consolidate departments in the interest of economy and efficiency.)

PARTY PLEDGE	PARTY PERFORMANCE
8. Economic Conference, International.	Called for June 12, London, England.
9. Farm Board, condemn the extravagances of.	Abolished—consolidation of wholesome activities under the Farm Credit Administration.
10. Farm commodities, price level for.	H.R. 3835 (Public, No. 10, approved May 12): By reduction of acreage in various crops. By entering into agreements with processors, producers, etc., regarding marketing. By licensing producers, processors, etc. By employing the Smith cotton plan (granting options on Government cotton to farmers who cut acreage).
11. Federal credit to the States.	Restoration of State activities by public-works construction—$500,000,000 in La Follette-Costigan-Wagner Act (Public, No. 15).
12. Flood control.	H.R. 5081 (Public, No. 17, approved May 18). Muscle Shoals plans for control carried in this bill (provisions to take care of destructive flood waters in the Tennessee River and Mississippi River Basins).
13. Foreign debts, opposed to cancelation.	The President on June 14 said: "The Congress in December 1931, in approving the moratorium in June of that year, specifically set forth that the debts should not be canceled or reduced."
14. Foreign securities, condemn fraudulent issuance of.	H.R. 5480 (Public, No. 22, approved May 27). Providing for full and fair disclosure of the character of securities sold in interstate and foreign commerce and to prevent fraud.
15. Labor, shorter working week—shorter hours.	H.R. 5755. Industrial recovery bill.
16. Monetary Conference, International.	Called for June 12—London.
17. Philippine independence.	H.R. 7233, Seventy-second Congress, second session. To provide for the independence of the Philippine Islands. Introduced in a Democratic House of Representatives and passed Congress. (Public, No. 311.)
18. Prohibition, repeal; modify Volstead Act (beer).	Message from the President March 13 urging immediate modification of the Volstead Act. H.R. 3341 (Public, No. 3, approved Apr. 22). Beer. To provide revenue by taxation of certain nonintoxicating liquor. S. 562 (Public, No. 6, approved Mar. 31). Relating to the prescribing of medicinal liquors. Joint resolution for repeal submitted to the States. Introduced in Democratic House of Representatives, Seventy-second Congress, second session, and passed Congress. (S.J. Res. 211.)
19. Public works.	S.J.Res. 14 (Public Res. No. 2, approved Apr. 23). Authorizing the Reconstruction Finance Corporation to make loans for financing the repair or reconstruction of buildings damaged by earthquake. S. 598 (Public, No. 5, approved Mar. 21). Relief of unemployment through performance of useful public works. H.R. 5755. Industrial Recovery Act. (Public, No. 67.) H.R. 4606. Wagner-La Follette-Costigan. (Public, No. 15.)
20. Saloon, prevent return of.	District of Columbia Beverage Act, providing that no beverage shall be sold or served in any room not used primarily for the serving and consumption of food.
21. Securities, safe.	Message from the President March 29 advocating Federal supervision of traffic in investment securities. H.R. 5480 (Public, No. 22, approved May 27). Providing for full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent frauds in the sale thereof. S. 1094. Authorize purchase of insurance-company securities by the Reconstruction Finance Corporation. (Public, No. 35.)
22. Silver, rehabilitation of.	H.R. 3835. Accepting $200,000,000 in silver on foreign debts. (Public, No. 10.)
23. Subsidies, revoke improvident.	Paragraph in the independent offices bill giving the President power to revoke any subsidy granted during past Congresses, but providing matter could be appealed to courts.
24. Tariff, condemn Smoot-Hawley Act.	International Economic Conference, now in session in London; also to discuss reciprocal tariffs.
25. Unemployment, relief for.	Message from the President March 21 asking for unemployment relief. Message from the President May 17 asking cooperative movement to obtain reemployment. H.R. 4606 (Public, No. 15, approved May 12). Providing for cooperation by the Federal Government with the several States and Territories, and the District of Columbia, in relieving the hardship and suffering caused by unemployment. S. 598 (Public, No. 5, approved Mar. 21). Providing for the relief of unemployment through performance of useful public works. H.R. 5755. Industrial Recovery Act. (Public, No. 67.)
26. World peace.	President's message to the heads of sovereign nations, May 16, 1933, "that all nations of the world shall enter into a solemn and definite pact of nonaggression, etc."

LIST OF PUBLIC LAWS PASSED DURING FIRST SESSION, SEVENTY-THIRD CONGRESS

Subject of bill	*Law*
Emergency banking bill	Public, No. 1.
Economy bill, 1933	Public, No. 2.
Beer, taxation of	Public, No. 3.
District of Columbia, beer in	Public, No. 7.
Farm mortgages, mineral rights	
Banking relief, State banks	Public, No. 4.
Agriculture, emergency relief	Public, No. 10.
Government records, to protect	Public, No. 37.
District of Columbia appropriations	Public, No. 70.
Unemployment relief, public works	Public, No. 15.
Apples and/or pears	Public, No. 39.
Revenue, gasoline and postal rates	Public, No. 73.
Muscle Shoals	Public, No. 17.
Code, Criminal, to amend sec. 289 of	Public, No. 62.
Probation law, violators	Public, No. 74.
Public land, homestead or desert-land entries	Public, No. 76.
Home owners' loans	Public, No. 43.
Independent offices appropriations	Public, No. 78.
Deficiency appropriations, third	Public, No. 26.
Securities, supervision of	Public, No. 22.
Banking Act of 1933	Public, No. 66.
Defense Act, to amend	Public, No. 64.
Oklahoma beer	Public, No. 82.
Industrial Recovery Act	Public, No. 67.
Agriculture, Farm Credit Act	Public, No. 75.

LIST OF PUBLIC LAWS PASSED DURING FIRST SESSION, SEVENTY-THIRD CONGRESS—continued

Subject of bill	*Law*
Deficiency appropriations, fourth	Public, No. 77.
Mining claims	Public, No. 18.
Claims of Indian pupils	Public, No. 27.
Employment system	Public, No. 30.
Medicinal liquor	Public, No. 6.
Conservation Corps, reforestation	Public, No. 5.
Stock-raising homesteads	Public, No. 34.
Survival of certain actions in favor of the United States	Public, No. 80.
Insurance companies, for relief of	Public, No. 35.
Inspection of boilers	Public, No. 40.
Bank reorganizations	Public, No. 19.
Removing limitations on national banks in certain cases	Public, No. 20.
Issue of stock by national banking associations	Public, No. 56.
Sales of timber on Indian land	Public, No. 81.
Railroad reorganization	Public, No. 68.
Administering of oaths by members of international tribunals	Public, No. 31.
Amending sec. 1025 of Revised Statutes	Public, No. 16.
Redemption of certain national-bank notes	Public, No. 41.
Reconstruction Finance Corporation loans to building-and-loan associations	Public, No. 51.
Amending sec. 74 of the Judicial Code	Public, No. 57.
Coinage of 50-cent pieces commemorating the anniversary of the independence of Texas	Public, No. 59.
SENATE JOINT RESOLUTIONS	
Earthquake relief, California	Pub. Res. No. 2.
Designating May 22 as National Maritime Day	Pub. Res. No. 7.
HOUSE JOINT RESOLUTIONS	
Swimming tank, White House	Pub. Res. No. 3.
Loans for crop production, 1933	Pub. Res. No. 5.
Extending time for application of claimants, Mixed Claims Commission	Pub. Res. No. 11.
Uniform currency	Pub. Res. No. 10.

[Page ad—New York Times, Sunday, June 25, 1933]

BEHOLD THE NATION RISING TO LEADERSHIP!

No man of observant eye can fail to mark the change that has come over America in the past 3 months.

You can see it in the records which the trained business analyst follows: Commodity prices are surging up.

You can see it in advertising and in the stores where you go to buy: Retail prices already have made a slight rise.

You can see it in city after city where the wheels of industry are turning again: Men are marching back to work.

After 3 years in which business withered because prices were chiseled lower and lower—in which people feared to spend money and held back lest prices drop still lower—a new spirit of courage and confidence has started people buying!

This new spirit, this new courage, is born of a single cause—leadership. This new confidence, expressed in a reviving trade, is the direct result of vision, enterprise, competence concentrated upon a clearly understood task.

Just as surely as the men and women of America recognize and respond to national leadership, so do they react to leadership in the everyday things of life.

* * * * * * *

THE GOODYEAR TIRE & RUBBER CO., INC.,
R. W. LITCHFIELD, *President*.

[Washington Star, June 1933]

THE GREAT EMPLOYER

The Federal Government is fast preparing to do its share toward bringing employment to the unemployed. The plans for the operation of the public-works program, for which Congress has appropriated $3,300,000,000, are taking shape and already there has been an allotment of $400,000,000 to be used in highway development throughout the States, in the District of Columbia, and in the Territories. In addition $135,000,000 has been allocated to be used for construction work at Army posts. Rules have been adopted relating to employment on highway construction. In the regulations provision is made for a 30-hour workweek, for a minimum wage, and for the use of human labor in place of machines "where consistent with sound economy." Preference must be given to former service men with dependents, to bona fide residents of the districts in which the work is carried on, and to residents of the States where the work is located, in the order named. The plan is designed to give the maximum employment at wages that are fair and capable of providing a living, and at the same time the problem of a national highway system is not overlooked. The funds for the road work will become available July 1.

* * * * * * *

The Government's public works program represents the contribution of the American people through their Government to the solution of the unemployment problem. It is a contribution by the public, because the bills for these public works, including both labor and material, must come out of the pockets of the people. There has been much argument regarding the efficacy of this attempted cure of unemployment. The time for argument has passed. The experiment is under way. The elected representatives of the people have decreed that a huge sum of money is to be expended for public works. That the experiment will be beneficial is necessarily the hope of the people.

* * * * * * *

[New York Times, June 1933]

The more convincing becomes the evidence that financial and industrial recovery is genuinely under way, the more one hears of divergent reasons for it. That a definite turn has come, the customary indices without exception testify. Activities of textile mills in May were the largest of any month since October 1929. Freight loaded for distribution by the railways, which since 1929 had at no time until last month equaled the loadings for the corresponding period a year before, has thus far in June exceeded 1932 by 193,200 cars, or 13 percent. The country's steel production, now at the year's highest to date, has considerably more than doubled itself since March—a period usually marked by decreasing output. Business insolvencies, compiled for May in the whole United States, were numerically the smallest of any month in 4 years. The rise of average prices, doubtless both effect and cause of the trade recovery, is computed by the conservative Labor Bureau statisticians to have been more than 2 percent since the opening of March.

[From the Washington Star, June 1933]

A BREAK FOR THE FARMER

The rise in wholesale prices at this time is encouraging to everybody as indicating an upturn in business, but for the farmer it is spreading happiness and joy. For every time the wholesale price level rises, the level of agricultural prices rises much faster, while the prices paid by farmers for commodities which enter their cost of living lag behind. Thus, a gain in agricultural prices is a gain in more ways than one for the farmer.

What has happened this year can be understood by the following comparisons in price indexes:

	Prices of farm products	Wholesale prices	Prices paid by farmers for commodities bought
January	51	61	104
February	49	60	102
March	50	60.2	101
April	53	60.4	100
May	62	62.7	100

As it is seen, since the beginning of the year the prices received by the farmers for the commodities they sell have gained 11 points, wholesale prices have gained almost 2 points, while the farmer's costs have fallen by 4 points. In other words, he is receiving more money for his products, but what he buys is cheaper. That is clear gain for him in the purchasing power of his dollars.

Today wholesale prices have risen since the end of May to 64.5, and the rise in agricultural prices has been even greater. The process of what happened to the farmer when wholesale and agricultural prices began their fearful slump in 1925 is being reversed today. From 1925 until the end of 1932 the prices received by the farmers for the commodities they sold decreased by 90 points, while the prices paid by the farmers decreased by only 59 points.

[Washington Star, June 1933]

CAPPER FORECASTS STEADY BETTERMENT—MORE EMPLOYMENT AND BETTER PAY SHOULD RESULT FROM HIGHER PRICES, HE SAYS

A steady improvement in economic conditions during the next few months was predicted last night by Senator CAPPER, Republican, of Kansas, who said: "Commodity prices should continue to improve, making possible more employment and at better wages."

"Commodity prices are on the rise", said the Kansan. "Stock-market levels are higher and promise to go still higher. There will be recessions in both, some of them sharp. But the tendency is upward, and that means increased employment and more purchasing power.

"So far as the Farm Belt is concerned, things are on the upgrade again. The farm-mortgage relief sections of the Agricultural Adjustment Act are operating to relieve the farm-mortgage situation. Coupled with local tax reductions, which are very general and noticeable throughout most of the Farm Belt, the Government aid to agriculture, through mortgage relief and through increased returns for agriculture through inflation, through better employment conditions, through the price-raising features of the Farm Act, are bound to increase the purchasing power in the Farm Belt."

[Excerpt from a full page ad by the Literary Digest—The Washington Star, 1933]

THE LITERARY DIGEST IS RECORDING THE REBIRTH OF A NATION

With new vision and new leadership a Nation dormant and discouraged suddenly comes to life. Inspired by the courage and

driving force of a new leader optimism flares overnight. A great populace, too long idle and despondent, becomes busy, active, happy again. Since President Roosevelt delivered his inaugural nearly 2,000,000 men have gone back to work. News, big news, epoch-making news flashes over the wires. History—vital and significant—is in the making.

[The Washington Post, 1933]

GAINS IN BUSINESS REVEALED AS COVERING ENTIRE NATION

NEW YORK (A.P.)—Business gains throughout the country in the last 2 months are characterized as "decisive" by the New York Board of Trade.

It made public yesterday the results of a survey garnered from chambers of commerce, boards of trade, and other organizations in more than 100 cities.

As a result the board says: "Using every index by which business is measured, the replies indicate substantial progress generally throughout the entire country."

Percy C. Magnus, president of the board, commented: "Upon reading the reports that have reached us * * * the conclusion is inescapable that the depression is over and that we are well on the road to recovery. The 4 months of March, April, May, and June witnessed economic changes of colossal proportions."

The survey showed improvement in employment, working hours, wages, and volume of sales.

SILVER IN THE MONETARY SYSTEM

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an open letter addressed to President Roosevelt by the Spokane branch of the American Monetary Reform Association, and also a letter from Mr. D. F. Guinan, president of the Merchants Banking Trust Co., of Mahanoy City, Pa., on the subject of the use of silver in the monetary system.

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

AN OPEN LETTER TO PRESIDENT ROOSEVELT

SPOKANE BRANCH OF THE AMERICAN
MONETARY REFORM ASSOCIATION,
Spokane, Wash., March 27, 1933.

Hon. FRANKLIN D. ROOSEVELT,
Chief Executive of United States of America,
Washington, D.C.

DEAR MR. PRESIDENT: Pardon us for intruding upon your valuable time, but we are prompted by a spirit of patriotism, national pride, and the trend of public sentiment to invite your attention to a few statements and authorities relating to the silver question.

While the facts hereinafter set forth are matters of record, doubtless many Members of both branches of Congress are not familiar with the history of the important subject of silver and its relation to universal human needs, for the reason they may not have had access to the information herewith respectfully submitted, in substance as follows:

DEMONETIZATION OF SILVER

In the House of Representatives, February 10, 1873: See Appendix to the Congressional Globe, part 3, Forty-second Congress, third section, CXXXI, an act revising and amending laws relative to mints, assay offices, and coinage of the United States, pages 236 to 240, both inclusive. Section 15 states that the silver dollar shall be legal tender up to $5 for any one payment. (After this bill had passed the House it was surreptitiously changed and never read before its final passage in the Senate. Thus the forgery and fraud.)

Also, in the Senate, February 12, 1873: Congressional Globe, part 2, Forty-second Congress, third session, page 1280, top of third column. (This was the date of the final passage of the bill in the Senate demonetizing silver.)

For more complete details of this revolting crime we refer you to A Call to Action, by J. B. Weaver, 1892. Read especially pages 319, 320, and 321. This book contains 446 pages and is a thorough treatise of the destruction of silver in our monetary system. See also quotations from Senator Jones on pages 300–301 and 322–323. Book should be found in public library.

Crime of 1873, by former United States Senator Charles S. Thomas, of Colorado; republished in Spokane Mining Truth, December 1 and 15, 1932. (15 cents per copy.) Rothschilds led the first assault for the demonetization of silver.

Special attention is called to the Bankers' Magazine of August 1873, stating that $500,000 of foreign money was used to bribe Senators and Congressmen who aided in demonetizing silver. (Excerpt found in the Weaver book.)

Imperial Washington, by the late United States Senator R. F. Pettigrew, whose 50 years in public life is told in this book. It deals clearly with the silver question. Charles H. Kerr & Co., Chicago. $1.25.

Senator WHEELER's speech in Congress January 25, 1933, covers the question quite completely. All should study the facts therein given.

To further emphasize the importance of remonetizing silver—as provided in the Wheeler bill—a few excerpts are quoted from Bulletin 80, Money and the World Crisis, by H. S. Denny, C.B.S., 1931. We quote:

"The bimetallic unit basis is a dual standard in one sense and single in another, designed to suit the needs of the rich and the poor, individually and collectively.

"Remonetization of silver for currency purposes alone would immediately absorb all floating supplies and there is more danger of a famine than a flood.

"Remonetization of silver is an act of just restitution. Myriads of humble people have had their life insurance gratuitously and drastically cut down by the imposition of the gold standard and accompanying degradation of silver.

"Finally, the world has to have more metallic money than present gold reserves represent, and the quickest, fairest, and most effective method of meeting the demand is reformation of the existing currency condition."

(Mr. Denny is a mining engineer of world-wide experience and a well-known technical writer. Bulletin No. 80 can be had from Hon. Charles McCrea, minister of mines, Toronto, Canada.)

B. C. Forbes, recognized financial authority, says:

"If every gold dollar in the United States were tendered in payment for taxes, the bill would not be one third settled. If all the paper currency in circulation throughout the country were added to all the gold we would still owe the tax-collector as much more again—and more."

If still in doubt of the justice and necessity of restoring silver to its former place with gold, write to Judge James H. Teller (35 cents), Denver, Colo., for a copy of "Money: The Silver Question and Bimetallism."

The populace of all nations are pleading for a standard of money with full debt-paying power, and would follow if the United States would take the lead and restore silver, but they have been cowed and dominated by the international bankers and money changers and are only waiting for a leader.

Credit inflation and managed currency (paper) are fundamentally unsound and uncontrollable, and is the most dangerous inflation that any government can indulge in. Currency based upon metallic inflation is a permanent inflation by reason of the fact it is limited by nature.

The dastardly crime of demonetizing silver in 1873 was accomplished without the knowledge of the American people and without the approval of either the Republican or Democratic Party or any other political organization—which fraudulent legislation was contrary to the sound, patriotic principles upon which this great Republic was founded.

According to Congressman William D. Kelly, the bill which brought about the demonetization of silver originated with the Treasury Department, and the Congressional Globe reveals that Congressman Samuel Hooper, of Massachusetts, was the "key" man in the House and that John Sherman, of Ohio, was the arch traitor in the Senate, and with their insensible connivance, working in conjunction with one Ernest Seyd, representative of the international bankers and Bank of England, committed this revolting crime of demonetizing silver and at the same time set up the single gold standard in the United States in lieu of the bimetallic system—thus destroying more than half of the wealth of the nations of the world, which merciless destruction is responsible for the ruin of American homes, American industries, and innumerable private business enterprises and commercial undertakings. The ruinous effect of this brutal system and reprehensible policy have been more disastrous than the World War, which internecine conflict was the outgrowth of an avaricious greed for gold by the money changers.

Between 1870 and 1876 all nations of Europe that were not already on the gold standard, demonetized silver and adopted the single gold standard—followed by bankruptcy, crime, destitution, and untold misery, a condition similar to that of the present but not so intense and far-reaching.

It is passingly strange that so few persons in public life associate our damnably corrupt monetary system with the crisis that is crushing civilization out of existence, as evidenced by the utter collapse of almost every undertaking, whether in civic circles, commercial pursuits, religious movements, or social activities. It is only now and then one will find a man who has the courage to strike at the root of the evil that is responsible for the chaotic condition with which the whole world has been cursed for the past 3 or 4 years.

In this connection it is well to take note of this indisputable fact—a fact upon which all economists of recognized authority agree—that the price of silver governs the price of all commodities and the price of labor. Therefore, serious thought should be given to the almost incredible and astounding truth that four London brokers, affiliated with bankers in New York City, Shanghai, China, and Bombay, India, fix the price of silver daily. This statement is made on the authority of Herbert M. Bratter, of the United States Department of Commerce, in an article in the Denver Mining Record, January 28, 1933. So long as these international bankers and brokers control the price-fixing of silver they can bring on an economic war at will, causing bankruptcy and the destruction of property values of every kind and character, followed by crime, distress, and poverty. Or they can create artificial prosperity for the sole purpose of growing another "flock of lambs to fleece", as has been done in regular periodical cycles for more than 50 years. It must be remembered that when the price of silver was fixed at 30 cents, the price of wheat sought the same low level, as did other commodities. Wheat at 30 cents per bushel is at least 50 cents below cost of production, and when the prosperity of the farmer is destroyed, all other undertakings are correspondingly affected. The victims of depression's ruthless war are reflected by hundreds of thousands of farmers losing their

farms, and city folks losing their homes, adding millions to the ranks of the unemployed and forcing thousands into the breadlines.

This indefensible system of price-fixing of silver by a small coterie of foreign brokers and international bankers is sent broadcast daily by way of controlled news agencies and a subsidized press. This criminal conspiracy is, therefore, responsible for the economic war which encircles the globe, robbing its inhabitants of their wealth, driving them from their homes and even depriving them of the right of existence. Nations are devastated, their potential resources placed in jeopardy, and the morale of the people sadly demoralized—all for the benefit of a band of legalized pirates who control the gold.

At this point it is pertinent to quote from an alleged secret document written over 30 years ago and later published, purporting to have had its origin in close proximity to the international bankers, to wit: "All wheels of state mechanism are set in motion by power, which is in our hands, that is to say, gold."

From earliest history silver has been used as money, and long before gold was adopted as coinage, silver was in use all over the world, and, as money, has served countless myriads who never possessed a gold coin. Long before the Roman Empire became the mistress of the civilized world the par value of silver and gold was stabilized by custom or conviction at 12 ounces of silver to 1 ounce of gold. For many centuries the ratio established by custom was between 12½ and 14½ to 1, this ratio being based upon the relative production of the two metals. The average for the period of 438 years, dating from 1493, is 14.5 ounces of silver to 1 of gold. For hundreds of years, therefore, the price ratio of silver to gold was approximately 14½ to 1, the average price up to 1873, when silver was demonetized, being a little over $1.40. From 1833 to 1873, however, the price fluctuated from $1.30 to $1.36.

The facts stated in the first foregoing paragraph should make it clear to the average citizen that the single gold standard does not furnish an adequate supply of legal-tender money, with full debt-paying power, to meet the enormous obligations imposed upon the yellow metal to carry on the commerce of the world. Over 10,000,000 men tramping the highways seeking employment to support themselves and families is a warning that when you "impoverish labor you imperil the whole structure of society."

Accepting available statistics as reliable, the aggregate of silver coins in circulation over all the world is but $4,000,000,000 which if added to the $11,000,000,000 of gold in existence, will not pay even one half of the annual interest charge on the world's indebtedness of $750,000,000,000 gold-bearing bonds. The interest at 5 percent on this debt amounts to $37,500,000,000 annually, more than three times all the gold in the world for monetary use. The ratio between this debt, payable in gold, and the $11,000,000,000 of gold in coin, is approximately 75 to 1. This is an object lesson that should warn financiers, bankers (Jew or Gentile), and lawmakers and high officials that the single gold standard is a menace to humanity, and that unsettled conditions, the strife and struggle for existence, that chaos and turmoil will continue throughout the world so long as gold is buried beneath the burden of debt—the interest upon which can never be paid, to say nothing of the principal.

Witness Arthur Brisbane: "If all the gold mines in the world shipped every ounce of their production, it would take 34 years to meet America's tax charges for 12 months."

Mark Sullivan, the well-known political commentator, wrote under date of May 23, 1931: "I gather that you regard the currency question, that is, gold and silver, as the most fundamental. I may tell you that I receive an immense number of letters taking the same view."

Bimetallism is the most direct cure for our financial ills, and it is incumbent upon the United States to take the lead in this movement. This is a creditor Nation, and not only has the right but has the power to restore silver to its rightful place in our monetary system, which can be done with the Wheeler bill, no. 2487, now pending before Congress. It provides for the free coinage of silver at the ratio of 16 to 1. No substitute will meet the necessity of the hour. The adoption of this bill would permanently fix the price at $1.29 or thereabouts, which price would correspondingly affect the price of wheat, consequently making a market for the farmer for his wheat crop at a profitable price. The Wheeler bill adopted would destroy the nefarious business of the foreign brokers who gamble with the welfare and lives of 2,000,000,000 people who are at the mercy of these international sharks.

It is absurd and illogical to waste time and money for holding an international conference with these bankrupt debtor nations with the cards stacked against us. Judging from past experience nothing whatever will be accomplished toward restoring silver to its former place in our monetary system. The only way that silver will ever be rehabilitated will come through the action of Congress of the United States. The sooner this fact is recognized and acted upon, the sooner this Government will get on a sound financial footing and start on the highway of prosperity. No one piece of legislation will return more men to work than the passage of the Wheeler bill. Every industry and every trade channel will readily respond to the beneficial effects of the adoption of this 16-to-1 silver measure.

Scarcely a nation on earth has any silver to spare if silver was remonetized, and in proof of this statement we quote Senator PITTMAN, who was reported by the Associated Press on March 10: "If you are going to expand the currency, there is a limit to silver expansion, as there are only 12,000,000,000 ounces in the world; which could be made to provide $15,000,000,000 in sound metallic currency, ready to circulate."

Should the passage of the Wheeler bill fail (but we are not conceding that it will), the act of February 12, 1873, demonetizing silver through the device of bribery, forgery, and fraud, should be set aside by the Supreme Court of the United States. Surely the statutes of limitation do not run against a crime which has been the primary cause of bankrupting the Government of the United States of America as well as millions of her patriotic citizens. It is never too late to right a wrong. It is time to act.

There appears to be a custom for Senators and Congressmen to leave their seats and retire to cloakrooms when a Member is speaking upon some measure, and even refraining from voting. This custom should be abolished. The public is heavily taxed to carry on the Nation's business, and when Members of either House are found absenting themselves from their seats during a session they should be held accountable to their constituents for this dereliction of duty—and left at home permanently.

When any metal is coined into money it ceases to be a commodity, and when changed back into a commodity it ceases to be money.

Only a sovereign power can create money, and nothing is money upon which the law does not confer the compulsatory power of paying debt.

An increase or decrease of money in circulation will cause a change in the level of prices.

The volume of money in circulation fixes the price of commodities and the wages of workers.

Increasing the volume of money increases the prices of commodities and the wages of workers.

Decreasing the volume of money decreases the prices of commodities and the wages of workers.

Increased prices of wages results in increased production and employment.

Decreased prices of wages results in decreased production and employment.

The employed consume the product of the farm and products of the factory, creating prosperity.

Unemployment causes business depression, poverty, bankruptcy, crime, suffering, and general destruction.

Respectfully submitted,

AMERICAN MONETARY REFORM ASSOCIATION,
S. H. TWEEDELL, *Local Chairman*
I. R. CROW, *Secretary Local Branch.*

MERCHANTS BANKING TRUST CO.,
Mahanoy City, Pa., June 15, 1933.

DEAR STOCKHOLDER: Your board of directors has resolved to "pass the dividend", owing to the diminished income arising from the nonpayment of interest on loans and default on bonds. The cause of the loss of income is Nation-wide. The fault is with the country, not with the banks.

Men are not working; they are not able to pay rent, so that the property owner can get money to pay interest. Congress alone can pull the country out of the depression.

For some few years deflationary measures were going on, contracting bank credit and currency. The currencies of foreign countries became depreciated in comparison to the gold dollar and thus it required more foreign money to buy goods in America. They couldn't buy. We did not sell. We lost trade; scarcity of foreign exchange was the cause. Our 12 Federal Reserve banks contracted bank credit by refusal to rediscount some nonliquid notes. Here are some figures to show deflation while the cry for inflation comes up from farmers, workers, and others suffering from low wages and low commodity prices:

Total rediscounts held by all Federal Reserve banks:

March 1, 1933	$712,391,000
May 3, 1933	400,102,000

There is no hope of industrial recovery until every deflationist is removed and the policy of inflation carried quickly into effect. There should be an abundant increase in the quantity of currency and bank credit to start the wheels of industry and insure permanent and lasting prosperity.

The free coinage of silver, as proposed in the Senator Wheeler bill, the issuance of paper money instead of bonds as proposed by Senator MCADOO, the issuance of more paper money as proposed by Senator ELMER THOMAS. Each and all are the needs of the hour. Price-fixing and other childish measures will be unnecessary when the high flood of inflation is started. Nothing else can put men to work; nothing else can hold up wages, earnings, and commodity prices.

Seasonal and spasmodic starts of industry do not mean anything. They may hold out false hopes of "things picking up" and the threat of inflation may lead the man with money to speculate on stocks or commodities.

The writer will stake his reputation as a prophet and assert there is nothing yet done to keep up prices, and they can't stay up without abundant inflation of currency and bank credit.

Our good President has the confidence of the people, but he has not yet done anything for inflation of currency or bank credit. There is no hope of revival of industry until the President or Congress gives the country the full measures of inflation.

The resourcefulness of the then Secretary of the Treasury, MCADOO, and his inflationary measures put the country going at

high gear during the World War. Such resourcefulness is needed now. Waiting for international conferences to determine measures for inflation shows lack of sincerity or lack of knowledge.

Every stockholder, every depositor of banks should join in urging Congress to make mandatory the inflationary measures left to the discretion of the President. Notwithstanding misleading reports to the contrary, the Ship of State is drifting on the Niagara and will soon be in the current of the rapids. The reverse movement must come at once.

D. F. GUINAN, *President.*

FLAG DAY

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD the Flag Day address of Watson B. Miller, chairman national rehabilitation committee, American Legion, made in Washington, D.C.

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

My comrades and fellow Americans, more than a century and a half ago our forefathers ordained for us the emblem of all that we are, all that we ever hope to be—the Stars and Stripes, radiant symbol of our indissoluble Union. Down through the years generation after generation has looked to that Star-Spangled Banner, in disaster and in peace, and found there the inspiration to carry them resolutely forward to the building of a nation of free men and women that has no equal in all history.

Today that flag waves as gallantly as it did 156 years ago, unstained, undefeated—unfailing beacon of hope and confidence for all civilization in this night of depression which has engulfed all the world. And as the harbingers of dawn now begin to put the shadows of night to flight, giving promise of a new and better day, with what portent these immortal words of Francis Scott Key come back to us:

"What is that which the breeze, o'er the towering steep,
As it fitfully blows, now conceals, now discloses?
Now it catches the gleam of the morning's first beam,
In full glory reflected now shines on the stream;
'Tis the Star-Spangled Banner; O long may it wave
O'er the land of the free, and the home of the brave!"

It was on June 14, 1777, that Congress formally proclaimed the Stars and Stripes our national emblem. No man in that troubled little group could place what was said and done that day into the frame of the world today. Our forefathers then were fighting for political freedom. Today that liberty has become the accepted and least-disputed possession of the men and women of this country. That battle is won. Today we are struggling instead to untangle hindrances to economic opportunity, the freedom to earn and live and work.

The high hours of the world are those in which its leaders convert the world's dreams into action and, doing so, risk disaster. It is easy to preach things when there is no risk involved. And mere daring without a principle at stake is soon forgotten. The union of the two—a great ideal and a great risk—set the bugles echoing for centuries. Such was the Declaration of Independence, the emancipation proclamation, and the hour we entered the World War. The issues were different, but in each case the world was formulating a dream, crystallizing into deeds a sentiment hereto unfaced.

But this is merely looking backward. From the past we may take our inspiration; but our flag, the emblem of our country, commands us to lift our eyes and look forward. It carries now and for all time a meaning which the changes of time, the dimming of remembrance cannot alter.

The world is hungry now as it was in the days of the Reformation, of the American Revolution, of the World War for leadership. It is now, as it was then, clouded with problems and distress. It is ready to reward now, as it rewarded then, leaders who can convert ideals to action and face the consequences of such courage. The world does not forget courage that can shoulder failure and criticism in order to advance a little further the common dreams and purposes of all mankind.

My comrades and fellow Americans, I believe the world is beginning to find that leadership. I believe all of us can see the first soft glow of a new and better dawn rising over the horizon. Let us, on this one hundred and fifty-sixth anniversary of the birth of our flag, raise our eyes to its starry field and consecrate ourselves anew to perpetuate the principles and ideals of our country, to give our every ounce of energy to bring a new era of peace and plenty to our own land and all the world.

As I lift my eyes to the Stars and Stripes I seem to hear a murmur of voices. Whether it is the hum of the crowd outside the door or the dry lips of our distinguished forefathers speaking to us from the sacred pages of colonial parchments, the meaning is always the same.

Learn then that America may not persist only in virtue of the fact that it is the greatest national entity on earth, no matter how virtuous that genesis may be. Know that it may not exist upon its own vitals. Know that we must gain and maintain the respect of the world. Know that we must promote peace without sacrificing those safeguards which a fair knowledge of human frailties demands. Discourage the efforts of those misguided ones who would break down those laws by which we have thriven and who would lead us through somnolence to disorder and chaos. Again, the generation to which we here belong have seen sights in the glory of pristine morning and in the flame of sunset which we would to God will be spared your eyes. Out of the fullness of experience we choose to tell you that every orphan succored, every lonely mother comforted, every good inspiration handed to your comrade, every physical pain alleviated, every mental discomfort made serene, every unfortunate soul helped toward rationality and independence, every flagging spirit revived, every unpretentious gesture of decency, every act of civic righteousness—these, several and all and more, are the influences which will give coherent utterance to the tenderness and goodness which lie in the hearts of every one of you. These modest manifestoes will be your contributions to the growing greatness of this Republic. It will be your acts as individuals and groups which will keep that flag aloft, not as a spectacular banner but as a solemn symbol of a people great in the love of man and magnificent in the fear and love of God.

LETTER OF APPRECIATION FROM THE PRESIDENT OF THE UNITED STATES

Mr. ROBINSON of Arkansas. Mr. President, when the end of the session approaches, it is customary to appoint a special committee to communicate with the President and ascertain whether he has any further message to send to the Congress. In view of the lateness of the hour, the President waives that communication and authorizes me to state that he has no further message save that which is upon the Vice President's desk.

The VICE PRESIDENT laid before the Senate the following communication from the President of the United States, which was read and ordered to lie on the table:

THE WHITE HOUSE,
Washington, June 15, 1933.

Hon. JOHN N. GARNER,
United States Senate, Washington, D.C.

MY DEAR MR. PRESIDENT: Before the adjournment of the special session I want to convey to you and to the Members of the Senate an expression of my thanks for making possible, on the broad average, a more sincere and more wholehearted cooperation between the legislative and the executive branches of the United States Government than has been witnessed by the American people in many a long year.

This spirit of teamwork has in most cases transcended party lines. It has taken cognizance of a crisis in the affairs of our Nation and of the world. It has grasped the need for a new approach to problems both new and old. It has proved that our form of government can rise to an emergency and can carry through a broad program in record time.

I am certain that the American people are appreciative of the work of this special session of the Seventy-third Congress.

Please let me add that the past few months have given to me very special pleasure in the renewal of old friendships and the forming of new friendships among the Members of the Senate. To each and every one of you I send my best wishes for a well-deserved and happy holiday during the coming months.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

FINAL ADJOURNMENT

Mr. ROBINSON of Arkansas. I ask the Chair to lay before the Senate the concurrent resolution coming over from the House of Representatives.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution, which will be read.

The concurrent resolution (H.Con.Res. 24) was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Friday, the 16th day of June 1933, and that when they adjourn on said day they stand adjourned sine die.

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of the resolution.

The motion was agreed to.

The VICE PRESIDENT. Without objection, the concurrent resolution is agreed to.

Mr. ROBINSON of Arkansas. I move, in accordance with the terms of Concurrent Resolution 24, that the Senate do now adjourn sine die.

The motion was agreed to; and (at 1 o'clock and 12 minutes a.m., Friday, June 16, 1933) the Senate adjourned sine die.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 15, 1933

(Legislative day of Wednesday, June 14, 1933)

The House met at 10 o'clock a.m., on the expiration of the recess.

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess, subject to the call of the Chair. I want to make this statement to the membership: It is expected that the House will be called back not before 1 o'clock and not later than 1:30. I also want to say this: The Democrats will have a conference on this floor within 15 minutes, and I hope that all Democratic Members will stay here.

The SPEAKER. The question is on the motion of the gentleman from Tennessee.

Mr. SNELL. Mr. Speaker, I beg the pardon of the House for being a half minute late, but I should like to ask the gentleman from Tennessee what is the program?

Mr. BYRNS. The program is that some of the Democrats wish to have a conference relative to this measure that is pending before the House. The idea is to have a conference within 15 minutes on the floor of the House, so that Democrats who wish to may discuss it. I have moved that the House take a recess at the call of the Chair, not to be reconvened before 1 o'clock, and not later than 1:30. The Chair will give 15 minutes' notice by the ringing of the bells.

The motion of Mr. BYRNS was agreed to.

Accordingly (at 10 o'clock and 5 minutes a.m.) the House stood in recess at the call of the Chair.

AFTER THE RECESS

The recess having expired, at 2 o'clock the House was called to order by the Speaker.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3344. An act to amend section 14, subdivision 3, of the Federal Farm Loan Act; and

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 6034, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes;" and that the Senate agrees to House amendment to Senate amendment no. 2 to said bill.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J.Res. 63. Joint resolution temporarily suspending section 18 and portions of section 2 of the Executive order of June 10, 1933, relating to the organization of executive agencies.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill H.R. 5389, the independent offices appropriation bill, and I ask unanimous consent that the statement be read in lieu of the report.

Mr. GOSS. Mr. Speaker, I reserve all points of order on the conference report.

PERSONAL PRIVILEGE

Mr. FISH. Mr. Speaker, I rise to a question of personal privilege. I have in my hand a letter from the Public Printer declining to print in the CONGRESSIONAL RECORD some of my remarks. The Speaker pro tempore yesterday ruled as follows:

> The SPEAKER pro tempore. The Chair will rule that the gentleman from New York under a previous order of the House has that permission.

I asked for extra permission, if it be necessary, in order to include two speeches. I still have that permission, according to the ruling of the Chair, and I should like the Speaker to rule, so that this can go into the RECORD.

Mr. BANKHEAD. A point of order, Mr. Speaker. I understood the gentleman to rise to a question of personal privilege. Is that correct?

Mr. FISH. It is.

Mr. BANKHEAD. I make the point of order that the matter stated is not a question of personal privilege.

The SPEAKER. The Chair sustains the point of order.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent excutive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 25, 26, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 12, 22, 23, 24, 27, 28, 29, 31, 35, 37, 38, 39, 40, 41, 42, and 48, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said statement, amended to read as follows: "and notwithstanding any provisions of law to the contrary, the Administrator is authorized to expend during the fiscal year 1934 not to exceed $2,000 for actuarial services by contract, without obtaining competition, at such rates of compensation as he may determine to be reasonable"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In line 8 of the matter inserted by said amendment strike out "$13,950" and insert in lieu thereof "$13,110"; and in the same line strike out "$1,800" and insert in lieu thereof "$1,530"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Omit the matter striken out and inserted by said amendment; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment and restore the matter stricken out amended to read as follows:

"SEC. 10. The President is authorized, in his discretion, to suspend the extra pay or reduce the rate of extra pay allowed to commissioned officers, warrant officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard while on flying duty, and to distinguish between de-

grees of hazard in various types of flying duty and make different rates of extra pay applicable thereto."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 10, 11, 13, 14, 15, 16, 17, 18, 19, 21, 30, 34, 43, 44, 45, 46, and 47.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,
Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
RICHARD B. RUSSELL,
FREDERICK HALE,
FREDERICK STEIWER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The following amendments are in adjustment of totals, correction of section numbers, and of citations: Nos. 4, 23, 24, 27, 28, 31, 37, 38, 40, 41, 42, and 48.

On no. 1: Appropriates $129,000, as provided by the Senate, instead of $112,000, as provided by the House, for the American Battle Monuments Commission.

On nos. 2 and 3: Appropriates $150,000, as proposed by the Senate, for holding field hearings in rate cases by the Interstate Commerce Commission.

On no. 5: Makes the appropriation for construction of the Supreme Court Building available for the "completing" of same, as proposed by the Senate, instead of "continuing" thereof as proposed by the House.

On no. 6: Strikes out the House provision, as proposed by the Senate, fixing the maximum of salaries which may be paid to any officer or employee of the United States Shipping Board or Merchant Fleet Corporation. The maximum in such cases is now fixed by the provisions of the Economy Act as continued for the fiscal year 1934.

On no. 8: Restores the provision, stricken out by the Senate, which authorizes the Administrator of Veterans' Affairs to procure actuarial services by contract, without obtaining competition, at rates of compensation to be determined by him, amended so as to limit expenditure for such purpose for the fiscal year 1934 to $2,000.

On no. 9: Provides $5,000, as proposed by the House, instead of $15,000, as proposed by the Senate, for experimental purposes to determine the value of certain types of treatment, by the Veterans' Administration.

On no. 12: Strikes out the House provision that the amount to be paid for Navy pensions from the Navy pension fund shall be accounted for separately.

On no. 20: Appropriates $13,110, instead of $13,950 as proposed by the Senate, for enforcement of the black bass law, and authorizes $1,530 thereof for personal services in the District of Columbia, instead of $1,800 as proposed by the Senate.

On no. 22: Strikes out the House provision limiting purchases under the appropriations in this act to articles of the growth, production, or manufacture of the United States. This subject is covered by permanent statute.

On nos. 25 and 26: Strikes out the Senate provision which includes the District of Columbia Appropriation Act and the employees of the government of the District of Columbia in the general prohibition against salary increases resulting from reallocations of positions. This prohibition has been specifically included in the District of Columbia appropriation bill as passed by Congress.

On no. 29: Retains the Senate provision requiring 60 days' notice and opportunity for public hearing to parties to contracts proposed to be modified or canceled.

On no. 32: Strikes out the Senate provision that any employee to whom the Civil Service Retirement Act applies, who has an aggregate period of service of at least 30 years, shall, upon voluntary retirement from the service, be entitled to full annuity irrespective of the age of such employee.

On no. 33: Strikes out the House provision that, in making reductions of personnel, due regard shall be given to the apportionment of appointments as provided in the Civil Service Act and also strikes out the Senate provision that reductions of personnel shall be made with regard both to efficiency and to apportionment of appointments by States as now provided by law and that when new appointments are made hereafter under Civil Service regulations and there are persons on the eligible list who are residents of States which at the time are below the quota of Civil Service appointments allotted such States by law, preference in selection and appointment shall be given to those eligible persons who are residents of States having less than their Civil Service quota.

On no. 35: Strikes out the House provision authorizing the President to furlough at half pay officers of the Army, Marine Corps, Public Health Service, Coast Guard, or Coast and Geodetic Survey.

On no. 36, pertaining to extra flying pay: Strikes out the Senate language and retains the House language, amended by the elimination of the proviso limiting such extra pay to a maximum of $1,440.

On no. 39: Retains the Senate provision making the officers and employees of the Philippine Islands subject to the reduction in pay of 15 percent which has been provided in the case of employees of the insular possessions of the United States.

IN DISAGREEMENT

The committee of conference have not agreed with respect to the following amendments:

On no. 7: Authorizing not to exceed $1,000,000 in payments to State institutions for care of veterans suffering from neuropsychiatric ailments.

On no. 10: Authorizing domiciliary care to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments, and medical and hospital treatment for diseases or injuries.

On no. 11: Appropriating $231,730,000, as proposed by the House, and $401,730,000, as proposed by the Senate, for pensions, gratuities, and allowances to veterans and their dependents.

On no. 13: Authorizing the Attorney General to agree to judgments rendered pursuant to compromise in any suit pending on March 20, 1933, and on the date of the enactment of this act, brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly renewable term insurance.

On nos. 14 and 15: Appropriates $1,000,000 for hospital treatment for veterans irrespective of service connection of ailment.

On no. 16: Appropriating the unexpended balance of the appropriation "Fourteenth Annual Convention of French Veterans of the World War, Washington, D.C., 1933", for all expenses (including transportation to bona-fide residents) incurred in connection with indigent veterans in attendance at the convention of the rank and file organization of World War veterans held in Washington, D.C., during the month of May 1933.

On nos. 17 and 18: Being the total for the Veterans' Administration, military services, and the grand total for the Veterans' Administration.

On no. 19: Appropriating $48,500 for expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy.

On no. 21: Being the total of the bill.

On no. 30: Authorizing and directing the Postmaster General to suspend payments upon any air mail or ocean mail contract where the payee pays any salary, or salary combined with bonus, to any officer, agent, or employee, in excess of $17,500.

On no. 34: Provides for payment of full annuity to persons coming under the provisions of the Canal Zone Retirement Act if retired prior to July 1, 1935, voluntarily or involuntarily, after 30 years' service, less 5 percent until such person shall have reached the retirement age.

On no. 43: Abolishing one of the existing positions of Assistant Attorney General and creating a new position of Assistant Solicitor General.

On no. 44, classification of field service: Provides that where a position has been adjusted or allocated to a grade with a maximum salary below that received by the incumbent at the time of the allocation the rate of pay for such position prior to the adjustment may be continued so long as the position is held by the incumbent occupying it at the time of such allocation.

On no. 45: Authorizing modification of contract for the construction of the Long Beach, Calif., post office so as to afford proper relief to the contractor for losses sustained by him on account of the earthquake.

On no. 46: Authorizing the Reconstruction Finance Corporation to make loans aggregating not to exceed $50,000,000 to or for the benefit of drainage districts, irrigation districts, and similar districts organized under the laws of any State.

On no. 47: Limiting to 25 percent reductions in service-connected disability compensation of any World War veteran or the pension of any veteran of a war prior to the World War, or the pension of any widow and/or dependents of such veterans.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,
Managers on the part of the House.

Mr. FISH. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FISH. I want to know if I have not the right under the general leave to print my own remarks to incorporate in the RECORD a speech made by me entitled "Republican Viewpoint of the Economic Conference"?

The SPEAKER. The Chair thinks that under the leave granted, and he is so advised, any Member can insert his own remarks, but to print anything else he has to have the consent of the House.

Mr. GOSS rose.

Mr. WOODRUM. Mr. Speaker, I do not yield to the gentleman from Connecticut.

Mr. GOSS. But I am ready to make the point of order that I reserved.

The SPEAKER. The gentleman will state his point of order.

Mr. GOSS. I make the point of order against the report of the conferees in respect to the language contained in Senate amendment numbered 36, which in the bill as it passed the House was numbered section 10. As the bill left the House, it contained the following language:

SEC. 10. The President is authorized to place on furlough such officers of the Army, Marine Corps, Public Health Service, Coast Guard, or Coast and Geodetic Survey as he, in his discretion, shall deem desirable. While on furlough, officers shall receive one half the pay to which they would otherwise have been entitled, but shall not be entitled to any allowance except for travel to their homes.

The Senate inserted the following language as an amendment to the House bill:

SEC. 10. That under the provisions of section 20 of the act approved June 10, 1922, as amended (U.S.C., title 37, sec. 29), no additional compensation shall be allowable or paid to any person in the Army, Navy, or Marine Corps, or Army Reserve Corps, or National Guard, or the Naval Reserve, or Marine Corps Reserve, or the Coast Guard in consequence of such statute as amended at a rate per annum in excess of the maximum prescribed for a lieutenant colonel in the Army.

The conferees, according to the report, have agreed to the following language, as found on page 2 of the report:

SEC. 10. The President is authorized, in his discretion, to suspend the extra pay or reduce the rate of extra pay allowed to commissioned officers, warrant officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard while on flying duty, and to distinguish between degrees of hazard in various types of flying duty and make different rates of extra pay applicable thereto.

The language has been changed, and I make the point of order that the conferees have exceeded their authority in bringing back the amendment which they have agreed to.

Mr. WOODRUM. Mr. Speaker, I make the point of order that the gentleman's point of order comes too late.

Mr. GOSS. Oh, I reserved the point of order on this when the gentleman asked unanimous consent to read the statement in lieu of the report.

Mr. BLANTON. O Mr. Speaker, the language agreed upon by the conferees is entirely in order.

Mr. GOSS. I prefer to have the Speaker make the ruling instead of the gentleman from Texas.

The SPEAKER. Does the gentleman from Virginia desire to be heard?

Mr. WOODRUM. Mr. Speaker, I submit the matter to the Speaker.

The SPEAKER. The Chair is ready to rule. The point of order is overruled. The Chair thinks the conferees have not exceeded their authority.

Mr. WOODRUM. Mr. Speaker, I do not know of anything controversial in the conference report which has been agreed to, to which the conferees have presented the full agreement. Unless there is some particular question to be asked about it, I am disposed to move the previous question.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. KVALE. With reference to the voluntary optional retirement.

Mr. WOODRUM. The section relating to retirement is reported in the conference report exactly as it left the House. The Senate added the word "voluntary", which gave the employee the right to retire after 30 years' service. The conferees struck out the word "voluntary."

Mr. KELLER. With what effect?

Mr. WOODRUM. It gives the President the right, in his discretion, to place on retirement any employee who has had 30 years' service in the Government.

Mr. SNELL. As I have looked over the general conference report, there are no controversial matters in it?

Mr. WOODRUM. There is nothing controversial in it.

Mr. DIRKSEN. I should like to be heard on amendment number 7, which seems to be in disagreement.

Mr. WOODRUM. We will come to that later. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment no. 7: Page 44, line 6, strike out "$85,273,000" and insert in lieu thereof "$86,273,000: *Provided*, That not to exceed $1,000,000 of this amount may be used for payments to State institutions caring for and maintaining veterans suffering from neuropsychiatric ailments, when found to be to the best interest of the United States."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$85,773,000: *Provided*, That when found to be to the best interest of the United States, not to exceed $500,000 of this amount may be used for payments to State institutions caring for and maintaining veterans suffering from neuropsychiatric ailments who are in such institutions on the date of the enactment of this act."

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the congressional district in Illinois that has sent the distinguished Speaker of this House to Congress has a hospital for mentals—all sorts of people who are affected and who are commonly styled as lunatics. Among the thousands who are located there at the present time are 1,050 war veterans, who somehow have had that little slender cord that binds the present to the past and the present to the future torn away as a result of war service. They are the men for whom no armistice will ever be signed. If you could go to that hospital and see them looking vacuously into the distance, and know that until death shall write the final word for them the war will never have ended; when you realize that the whistles which blow and the bells that ring on Armistice Day will never be meant for them, I am sure you would vote to reinstate the amount of money to be spent for those men.

The State institutions have built up a therapeutic treatment for those veterans. There they make dolls and toys and rugs and all that sort of thing. Under existing conditions the Government of the United States pays to those hospitals a certain amount for every veteran who is there incarcerated. If we do not make adequate provision for them, we will ultimately take the 1,050 mentals away to a Veterans' Bureau hospital in northern Illinois, and the only thing they can do there is to sit behind a window that is barred from the outside and look vacuously into the distance, and there rot away in the agony and distress that was occasioned through service to democracy and to the flag and to the country.

I ask you Members of the House, is it not the fair thing to do to leave the $1,000,000 appropriation in that bill instead of cutting it to $500,000, so that the boys who are there now, and as I say, for whom no armistice will ever be signed, will have the right kind of therapeutic treatment? It is discretionary, in a sense, because there is a saving clause that it must be in the interest and welfare of the United States of America. I say to the Membership of this House that $1,000,000 is certainly not too much for the shell-shockers, for the boys who rushed in at Chateau-Thierry, Saint Mihiel, and the Argonne, and who, because of the intense concussion of the 220- and 240-millimeter shells, had that little slender cord torn away that has robbed them of lucidity. I am asking the membership of this House to vote down the conferee's recommendation to cut that appropriation from $1,000,000 to $500,000, because it will be a sorry and a tragic day when you have to go back to your districts and say that after all the millions and billions which this Congress has spent, we have not got a single million dollars left over for the boys who paid the supreme sacrifice by giving up the most precious of all gifts—a sound mind—for the cause of democracy. I hope that this body will retain the $1,000,000 appropriation for the shell-shocked and the mentals in the hospitals of this country. [Applause.]

Mr. KVALE. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. KVALE. Is not the gentleman also concerned about the limitation of time? The patients in these neuropsychiatric hospitals must be there at the date of the enactment of this act. That is something new. If we had realized it in time, I think a point of order could have been lodged against that limitation.

Mr. DIRKSEN. I believe that as far as the money is available, the Veterans' Bureau can pay under existing contracts that are now obtaining with the various States where these hospitals are located.

Mr. KVALE. If the gentleman will permit, I have in mind veterans now being juggled about and transferred and who might not be in State institutions at the time this law is enacted.

Mr. DIRKSEN. Like everything else, we will have to be partially dependent upon the charity and mercy of the Veterans' Bureau.

Mr. DOWELL. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DOWELL. Under the language of this amendment, it is not necessary to spend the $1,000,000 unless it is necessary?

Mr. DIRKSEN. Precisely.

Mr. DOWELL. And if it is not, certainly those men should not be denied the little amount that is appropriated in this amendment.

Mr. DIRKSEN. Right.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, there is no difference of opinion among any of us as to the obligation of the Government to care for these men who are mentally ill, nor does the reduction or limitation placed in this amendment indicate any such purpose or intention. This amendment was placed in the bill in the Senate by the distinguished Senator from Illinois, our former colleague, Mr. Dieterich, and it was placed there after he called attention to the fact that Illinois, as well as several other States, had incurred quite a great deal of expense in providing and equipping very fine neuropsychiatric institutions.

May I call your attention to the fact that the Federal Government has—the Veterans' Administration has—neuropsychiatric institutions second to none in the world? There is one in Perry Point. There are others in various parts of the country; and under the terms of the Economy Act it was thought wise and economical to treat Veterans' Administration patients, as far as they might be able to treat them, in Veterans' Administration institutions and not go to State institutions or to private institutions and pay them high rates to treat patients when the Government already had facilities provided for such cases.

After it was called to the attention of the conferees that perhaps there were a few places where veterans have already been placed in these State institutions with their cases under treatment by specialists of those particular institutions, that perhaps it would not be for their welfare to move them into new environments and put them under the care of strange physicians, we put in here the amendment that the distinguished Senator who introduced it thinks is sufficient to care for all needed cases in State institutions where they are there at the present time.

Mrs. ROGERS of Massachusetts and Mr. DOWELL rose.

Mr. WOODRUM. I yield first to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I think also there is not a single vacant bed for nervous or mental cases in any of the N.P. veterans' hospitals. Am I not right?

Mr. WOODRUM. I yield to the gentleman from Iowa.

Mr. DOWELL. Is it not true that a great many of these mental cases are not now permitted in the Federal hospitals because there are no beds in those hospitals?

Mr. WOODRUM. I do not think that is true, I may say to the gentleman from Iowa.

Mr. DOWELL. I may say to the gentleman my information is—and I think I have it pretty correctly—that there are not beds sufficient in these hospitals to accommodate those who ought to be hospitalized.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DIRKSEN. At the time this amendment was inserted on the Senate side there was a committee in a semi-official capacity representing the State of Illinois here in Washington, and while the definite amount that might be necessary is a matter of conjecture, it may run to a considerable amount. The $500,000 that the committee carries may never be fully expended. On the other hand, if the expense exceeds $500,000 and the money is not available, then these men who are receiving good therapeutic treatment will simply be relegated to the regional hospitals, where no such treatment at the present time is available. Mr. Hiller, who is an assistant to General Hines, told me that manifestly veterans in State hospitals would not re-

ceive the same kind of treatment in the regional hospitals at the present time.

Therefore it seems the money should be appropriated. It may never be expended, but I am anxious to see there is a sufficient amount appropriated that none of these veterans will be left in distress. Therefore I do not believe $1,000,000 is too much.

Mr. WOODRUM. Mr. Speaker, I can only repeat to the gentleman from Illinois that after conferring with the Senator who introduced this amendment, and telling him of the action of the conferees, he was satisfied. We will be back here next January, and if it develops that more funds are needed they can be appropriated then. The gentleman knows it is not the policy of Congress to appropriate money that is not presently needed or for which there is not some indication that it will be needed.

It is the view of the Veterans' Administration that this amount of money will be amply sufficient to take care of all cases that may be put in a State institution.

Mr. DIRKSEN. When we appropriated the $150,000,000 necessary for the Glass-Steagall bill the point was made during the discussion that we did not need all the money and that we would be back here in January, yet the entire amount was written into the bill.

Mr. DOWELL. And did we not, also, in the House, appropriate over $3,000,000,000 that everyone knows cannot be used by January 1?

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia to concur with an amendment.

The question was taken.

Mr. DIRKSEN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 10: On page 47, after line 14, insert "*Provided further*, That in addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty and to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments and medical and hospital treatment for diseases or injuries."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 10 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter inserted by such amendment insert the following: "*Provided further*, That section 6, title I, of the act entitled 'An act to maintain the credit of the United States Government', approved March 20, 1933, is hereby amended to read as follows:

"'SEC. 6. In addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty and to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments and medical and hospital treatment for diseases or injuries.'"

Mr. WOODRUM. Mr. Speaker, this is the so-called "Tydings amendment" placed on the bill in the Senate with the consent of the administration which permits the hospitalization of peace-time veterans who have injuries or disabilities due to service.

It seems that under the provisions of the Economy Act since it has been carefully studied and is in practical operation it has been found that a veteran of the regular establishment having a service-connected disability could not be hospitalized. The Tydings amendment permits him to be hospitalized.

The motion is to recede and concur with an amendment. The House amendment only affects the first portion of it which recites an amendment to the Economy Act. It is necessary to put that in.

Mr. JAMES. It also includes Spanish-American War veterans?

Mr. WOODRUM. Yes.

Mr. JAMES. It mentions tuberculosis and neuropsychiatric cases. Practically everyone who served either in Cuba or the Philippines are not bothered with either tuberculosis or neuropsychiatric ailments. They are bothered with malaria. Under this it would be impossible for a Spanish-American War veteran to be hospitalized because he was suffering from malaria.

Mr. WOODRUM. The Spanish-American War veterans, if totally and permanently disabled, may be hospitalized.

Mr. JAMES. But if he is 50 percent disabled he cannot get in.

Mr. WOODRUM. He is exactly on the same plane as a World War veteran with respect to hospitalization privileges.

Mr. JAMES. If he is 100 percent disabled.

Mr. WOODRUM. No; if he has tuberculosis or requires neuropsychiatric hospitalization, and, of course, if he has a service-connected disability, he may be hospitalized.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion to recede and concur with an amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 11: Page 49, line 10, strike out "$231,730,000" and insert "$401,730,000."

Mr. WOODRUM. Mr. Speaker, this amendment affects the amount required for pensions and hospitalization, and the action we take on it will depend on whatever action may be taken hereafter on amendment no. 47. I therefore ask unanimous consent that this amendment may be passed over until we take action on amendment no. 47.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 13: Page 49, after line 16, insert "That the Attorney General of the United States is hereby authorized to agree to a judgment to be rendered by the presiding judge of the United States court having jurisdiction in the case, pursuant to compromise approved by the Attorney General upon the recommendation of the United States attorney charged with the defense, upon such terms and for such sums within the amount claimed to be payable, in any suit pending on March 20, 1933, and on the date of the enactment of this act, brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly renewable term insurance, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments in accordance with any such judgment: *Provided*, That the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of disbursing officers of the Veterans' Administration for all payments of insurance made in accordance with any such judgment: *Provided further*, That all such judgment shall constitute final settlement of the claim and no appeal therefrom shall be authorized."

Mr. WOODRUM. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendments nos. 14 and 15: On page 50, in line 19, strike out "$1,000,000" and insert "$2,000,000"; and in line 20 insert: "*Provided*, That not less than one half of $2,000,000 so appropriated shall be used for supplying hospital treatment for veterans, without regard to whether their disability was service-connected or not."

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that amendments nos. 14 and 15 may be considered together.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I move that the House insist on its disagreement to Senate amendments 14 and 15.

The question was taken; and on a division (demanded by Mr. KVALE) there were—ayes 162, noes 23.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 16: Page 51, after line 9, insert: "The unexpended balance of the appropriation 'Fourteenth Annual Convention of French Veterans of the World War, Washington, D.C., 1933' is hereby made available for reimbursement to the Veterans' Administration for all expenses (including transportation to bona fide residence) incurred in connection with indigent veterans in attendance at the convention of the rank and file organization of World War Veterans held in Washington, D.C., during the month of May, 1933, and the decision of the Administrator of Veterans' Affairs in connection with such expenditures shall be final and conclusive."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 16 and agree to the same with an amendment as follows: In lieu of the first three lines of the matter inserted by such amendment insert the following: "such amount as may be necessary of the fund entitled 'Recreation fund, Army', created by the War Department Appropriation Act, approved March 4, 1933, is hereby appropriated and."

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. GOSS. Mr. Speaker, I make a point of order on the amendment. The amendment is not germane to this particular section of the bill. It refers to an unexpended balance of appropriation for the annual convention of French veterans, whereas the gentleman's amendment applies to a recreational fund of the Army contained in the War Department appropriation bill.

Mr. WOODRUM. Mr. Speaker, the original text provides a certain fund from which the expense of this veterans' camp should be paid. The amendment selects a different fund and I submit it is germane to the section, and otherwise proper.

The SPEAKER. The Chair thinks that this is merely a reappropriation of an unexpended balance which this amendment proposes to use for another purpose than that for which originally appropriated. The Chair thinks that that is certainly germane, for, after all, all appropriations of money, whether it be a reappropriation or a direct appropriation, must come out of the Treasury. The Chair overrules the point of order.

Mr. GOSS. I do not understand, Mr. Speaker, that this fund comes out of the Treasury.

The SPEAKER. The Chair does not know where else it could come from.

Mr. GOSS. I call the attention of the Speaker to the fact that they have special funds in that bill that do not belong to the Government.

The SPEAKER. The amendment simply makes it available for that purpose.

Mr. GOSS. This has to do with something that is not Government funds.

The SPEAKER. Well, the fund is in the Treasury.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am opposed to this proposition on two grounds. In the first place, I have in my hand, and I ask unanimous consent to insert in the RECORD certain portions of a letter—I will not ask for the whole letter because it is five pages long—from the Chief of the Veterans' Bureau stating that he does have legal authority to spend this money.

In the second place, this was an illegal expenditure for expenses of a convention gotten together by men who were not members of the Army during the war, but who organized this group to bring them here to promote their own ends.

Why should the Government pay the expenses of any organization coming here to run a convention? If we are going to start in by paying expenses of any group we have got to go the full length by paying the expenses of every hay dealers' convention.

Mr. BUCHANAN. The gentleman realizes that the Woodrum amendment does not take the taxpayers' money, but takes the money out of the organization not connected with the Government. It is not Government money at all.

Mr. TABER. That makes the situation still worse, because we are taking money that does not belong to the Government and we have no jurisdiction over it whatever.

Mr. BYRNS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BYRNS. How much of this fund has been spent?

Mr. TABER. They have spent about $40,000.

Mr. BYRNS. The previous administration appropriated out of the Public Treasury $100,000, of which $70,000 was spent, and I never heard the gentleman opposing that.

Mr. TABER. That was a different situation. That was a loan on bonus certificates. This is an outright donation of money. I have heard the gentleman from Tennessee time after time oppose the payment of funds out of the Treasury in an illegal manner.

Mr. BULWINKLE. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BULWINKLE. Is not this money raised by this organization, and after they had dispersed then it had nowhere to go?

Mr. TABER. Yes; this money was left in the custody of the War Department, but the Government is not entitled to it. We have no right to muscle in on it. It is entirely an illegal performance.

Mr. BULWINKLE. Does the gentleman think this will cost the Government any more than it did under the Republican administration to call out the Army to drive them out of the city of Washington?

Mr. TABER. The gentleman knows that during the Republican administration they treated them fairly and squarely, and the Army was not called out until it was absolutely necessary, because of the performance of the man who was chief of police at that time.

Mr. GOSS. Is not this fund earmarked as a special fund in the last appropriation bill?

Mr. TABER. The money does not belong to the Government of the United States.

Mr. GOSS. That is just what I said when I made the point of order.

Mr. RICH. Will the gentleman yield?

Mr. TABER. Yes.

Mr. RICH. If the House is going to pay the expenses of all organizations who come here seeking their own ends, is it not taking steps to pay the expenses of all bonus seekers?

Mr. TABER. We might as well pay the return expenses of the canners who are now in convention here.

Mr. CONNERY. Will the gentleman yield?

Mr. TABER. Yes.

Mr. CONNERY. I understood the gentleman to say something about my friend and buddy, General Glassford. What did he do?

Mr. TABER. He mussed up the whole situation by creating disturbances and distress here in Washington.

Mr. WOODRUM. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, this is not the first visit of certain veterans and perhaps others who have come to Washington for the purpose of insisting on the payment of the bonus. About a year ago we had a similar march on Washington under the previous administration. At that time there was appropriated for transportation alone $100,000, of which $71,000, according to my recollection, was used, and in addition to that I personally know that the Secretary of War provided for a part of the sustenance and maintenance of those marchers here out of the fund ap-

propriated for the subsistence of the Army. I do not know how much was so provided. In addition to that, there was the extra cost entailed in bringing the tanks and soldiers from Fort Myer, and in the use of gas, illuminating and otherwise [laughter], in order to quell the disturbance alleged to have occurred down here upon the Avenue. Only $37,000 was spent by this administration, for which Mr. Louis Howe, the executive secretary of the President, is entitled to credit, and the soldiers left here by agreement without the slightest trouble or necessity for either calling out the police or the Army. I say it is to the credit of this administration, and particularly Mr. Howe, that these marchers came here and then went home quietly and peacefully, after expending only $37,000, as compared to the amount spent under the former administration. [Applause.]

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. CONNERY. Floyd Gibbons was taken off the radio by General Harbord, who did not get his pay cut in the Economy League, because he told the truth about driving the soldiers out of Washington. When told that he was mistaken, he showed General Harbord the moving pictures and said that the camera cannot lie.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I am sorry; my time has expired.

Mr. WOODRUM. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS of Mississippi. Mr. Speaker, I have a very high regard for the gentleman from New York [Mr. TABER]. I have a high regard for his opinions on all questions. However, I think there is a complete misunderstanding on the part of the House as to the fund from which it is proposed that this expenditure shall be made. Otherwise, I dare say there would be no objection to the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

Mr. TABER. I am opposed to it on general principles, because in my opinion it was illegally made.

Mr. COLLINS of Mississippi. Strictly and technically the gentleman is right; but, legal or illegal, the expense was of a nature that hardly could have been avoided. Following the war certain funds which had accrued during the course of the conflict became available and subject to administration by certain officials of the Department. For instance, a weekly paper known as the Stars and Stripes was published by the American Expeditionary Forces. From that publication several hundred thousand dollars were realized. After the war was over the accumulated receipts came under the control of certain officials of the War Department and were expended for various purposes, some of which most of us would not have approved if we ourselves had had the responsibility. There was another sizeable fund that became available upon the disbandment of certain World War organizations. In the last War Department appropriation bill it was provided that those two funds should be deposited in the Treasury and there held subject to appropriation by Congress for the welfare of enlisted men in the event of another war. The thought was that the money had been raised by enlisted men and that it should not be used except in directions that would directly benefit enlisted men. The money was being spent for every object under the sun. I submit, Mr. Speaker, that since the very soldiers who created the funds in question have been the beneficiaries of the expenditures, we are now considering, there could not be a more appropriate use of the money than this one, to wit, to pay their expenses for coming to Washington for the purpose of submitting to the President and to the American Congress the cause that was uppermost in the minds of many of them. I feel this is an entirely proper use of the money and should be approved by this Congress.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Mississippi. Yes.

Mr. CONNERY. Does not the gentleman consider it quite a contrast from the proceedings of last year. Last year President Hoover would not even meet those veterans, while this year we had the first lady of the land, Mrs. Roosevelt, going out to their camp and talking to them, right in their own mess.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 156, noes 59.

So the motion to recede and concur was agreed to.

Mr. WOODRUM. Mr. Speaker, amendments numbered 17, 18, and 21 affect totals. I ask unanimous consent that these three amendments be passed over until we vote on the others.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 19: Page 53, beginning in line 1, insert:

"INTERNATIONAL INSTITUTE OF AGRICULTURE

"The sum of $48,500, or so much thereof as may be necessary, is hereby appropriated for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, to be expended under the direction of the Secretary of State in the following manner:

"(1) Not to exceed the equivalent in United States currency of 192,000 gold francs for the payment of the quota of the United States for the support of the Institute, including the shares of the Territory of Hawaii, and of the dependencies of the Philippine Islands, Puerto Rico, and the Virgin Islands.

"(2) Not to exceed $5,000 for the salary of a United States member of the permanent committee of the International Institute of Agriculture.

"(3) Not to exceed $5,500 for rent of living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. 818); compensation of subordinate employees without regard to the Classification Act of 1923, as amended; actual and necessary traveling expenses; and other contingent expenses incident to the maintenance of an office at Rome, Italy, for a United States member of the permanent committee of the International Institute of Agriculture."

Mr. WOODRUM. Mr. Speaker, that is the amendment affecting the International Institute of Agriculture, which we have considered several times in the House.

Mr. GOSS. Is this the so-called "Blanton amendment"?

Mr. WOODRUM. I do not know which particular Blanton amendment the gentleman is talking about.

Mr. GOSS. I mean about the $48,500 to be contributed to this Agricultural Institute in Rome.

Mr. WOODRUM. This is the amendment put in providing for a contribution to the International Institute of Agriculture at Rome.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. FISH. Is this a permanent appropriation or is it one that is provided for for just 1 year?

Mr. BUCHANAN. Just for 1 year.

Mr. BRITTEN. I wanted to get a couple of minutes to talk rather than ask a question. I was in hopes the House conferees would insist on their disagreement with the Senate conferees in this matter, because surely this is no time to throw $50,000 into the wastebasket over in Rome. I hope the gentleman will not insist on his motion, and let us get a vote on this thing after a couple of minutes. Will the gentleman yield me 2 minutes?

Mr. WOODRUM. I will take it under consideration; but right now I move the previous question, Mr. Speaker.

The question was taken; and on a division (demanded by Mr. BRITTEN) there were ayes 132 and noes 48.

So the previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia [Mr. WOODRUM] to recede and concur.

The question was taken; and on a division (demanded by Mr. BRITTEN) there were ayes 136 and noes 64.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 30: On page 57, after line 14, insert:

"SEC. 6. After the enactment of this act the Postmaster General is directed to suspend payments upon any air mail or ocean mail contract to any individuals, companies, or corporations which, singly or in combination with other individuals, companies, or corporations receiving a subsidy, pay any salary or salary combined with bonus to any officer, agent, or employee in excess of a salary of $17,500. If such individuals, companies, or corporations employ any officer, agent, or employee on a part-time basis, such salary, or salary combined with bonus, shall be reduced in proportion to such part-time employment."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which I send to the desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 6. Hereafter the Postmaster General shall not award any air mail contract or any ocean mail contract under the Merchant Marine Act of 1928 to any individuals, companies, or corporations which, singly or in combination with other individuals, companies, or corporations pay any salary, or salary combined with bonus, to any officer, agent, or employee in excess of $17,500. If such individuals, companies, or corporations employ any officer, agent, or employee on a part-time basis, such salary, or salary combined with bonus, shall be reduced in proportion to such part-time employment."

Mr. GOSS. Mr. Speaker, a point of order.

The amendment as I heard it read contains the word "hereafter", making this permanent law, forever. I have no particular objection to the language contained, that makes it for the duration of the life of this appropriation bill, but it might not be wise, under certain circumstances, to make it permanent, forever. The word "hereafter" makes it legislation on an appropriation bill, which makes it permanent legislation.

Mr. WOODRUM. The original text makes it permanent legislation.

Mr. GOSS. But it reads "after the enactment of this act."

The SPEAKER. We are considering the Senate amendment. The entire amendment of the Senate is legislation which the House may now perfect by any germane amendment.

Mr. GOSS. I will reserve it for the moment, to hear further explanation. I do not want to see it made permanent law.

Mr. WOODRUM. The only change which the House makes in it is the very proper change not to undertake to make this retroactive to apply to contracts. They have post-office contracts that have already been made in good faith, but it does provide——

Mr. GOSS. For all time.

Mr. WOODRUM. Yes; until Congress changes it, because the original language was for all time.

Mr. GOSS. But when that language goes in an appropriation bill, it is difficult to get it out again. If you make it applicable to the year for which the appropriation is written, it would not make it permanent law.

The SPEAKER. The Chair overrules the point of order made by the gentleman from Connecticut.

Mr. McCLINTIC. Will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. McCLINTIC. If I understood the gentleman's substitute amendment, it provides that you cannot investigate contracts that are already in effect with respect to air mail. Am I correct?

Mr. WOODRUM. Not exactly. The preceding section in the bill confers the power on the President to investigate and revise all air mail and ocean mail contracts. This simply applies to such contracts as are made in the future.

Mr. McCLINTIC. In other words, you do not cut out the preceding section?

Mr. WOODRUM. Not at all.

Mr. BLANTON. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BLANTON. Respecting the objection made by the gentleman from Connecticut [Mr. Goss], if this is a wise provision for this year, why is it not a wise provision for next year? I submit that inference to the intelligent judgment of the gentleman from Connecticut [Mr. Goss].

Mr. WOODRUM. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia to concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 34: On page 60, after line 2, insert:

"(c) Whenever at any time hereafter prior to July 1, 1935, any person to whom the Canal Zone Retirement Act, approved March 2, 1931 (Public, No. 781, 71st Cong.), applies, who has an aggregate period of service of at least 30 years computed as prescribed in section 7 of such act, is voluntarily or involuntarily separated from the service for reasons other than his misconduct, such employee shall be entitled to an annuity computed as provided in section 6 of such act payable from the Canal Zone retirement and disability fund less a sum equal to 5 percent of such annuity: *Provided*, That when an annuitant hereunder attains the age at which he would have been entitled to retirement with annuity computed as provided in section 6 of such act, such deduction from the annuity shall cease. If and when any such annuitant shall be reemployed in the service of the District of Columbia or the United States (including any corporation the majority of the stock of which is owned by the United States), the right to the annuity provided by this section shall cease and the subsequent annuity rights of such person shall be determined in accordance with the applicable provisions of retirement law existing at the time of the subsequent separation of such person from the service."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment which is at the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 34, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the letter "c" and insert in lieu thereof the letter "b", and in line 6 strike out the words "voluntarily or."

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman to concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 43: On page 65, after line 9, insert:

"SEC. 16. (a) There shall be in the Department of Justice an Assistant Solicitor General to assist the Solicitor General in the performance of his duties, who shall be appointed by the President, by and with the advice and consent of the Senate. Said Assistant Solicitor General shall be allocated to the same classification grade and be paid the same rate of compensation as apply to Assistant Attorneys General and shall perform such additional duties as may be required of him by the Attorney General. (b) One of the existing positions of Assistant Attorney General is hereby abolished."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur in the Senate amendment.

Mr. CROWTHER. Were the duties of this new solicitor outlined to the committee? I have in mind whether or not this new solicitor is to prosecute the hoarders of gold which we heard so much about a while ago. Have there been any prosecutions under this law by the Attorney General?

Mr. WOODRUM. The committee has that under consideration right now, and will report later.

Mr. CROWTHER. I thank the gentleman.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 44: On page 65 beginning in line 21, insert section 17:

"SEC. 17. That section 3 of the act of Congress approved May 28, 1928, entitled 'An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services"', as amended by the act of July 3, 1930, be further amended by adding thereto the following: '*Provided*, That in all cases where, since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent, the rate of pay fixed for such position prior to such allocation may be continued so long as the position is held by the incumbent occupying it at the time of such allocation.'"

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 44 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 44, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 17. That section 3 of the act of Congress approved May 28, 1928, entitled 'An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services"', as amended by the act of July 3, 1930, be further amended by adding thereto the following: '*Provided*, That in all cases where, since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent, the rate of pay fixed for such position prior to such allocation may be paid after the date of the enactment of this act so long as the position is held by the incumbent occupying it at the time of such allocation and the Comptroller General of the United States is authorized and directed to allow credit in disbursing officers' accounts for all payments heretofore made at such higher rates.'"

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 45. On page 66, beginning with line 11, insert:

"SEC. 18. The Secretary of the Treasury is hereby authorized to effect a modification of the contract for the construction of the Long Beach (Calif.) post office so as to afford such relief as he deems to be proper for losses caused the contractor for restoration of damages to the building occasioned by the earthquake of March 10, 1933, and to make such structural and other changes in the building as may be necessary to minimize a recurrence of earthquake damage to the building: *Provided*, That the present appropriation for the Long Beach project shall be available for the purposes named, and that any additional cost incurred by reason of the above shall not exceed the present limit of cost."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 45 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 45, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment before the period insert the following: ": *Provided further*, That the contractor shall not be allowed any profit in connection with the restoration of such earthquake damages."

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DOWELL. Will the gentleman tell the House what cost is involved?

Mr. WOODRUM. I yield for that purpose to the gentleman from New York [Mr. BOYLAN], a member of the committee.

Mr. BOYLAN. The amount involved is about $40,000.

Mr. DOWELL. As I understand the amendment submitted by the gentleman from Virginia there is to be no profit in the amount appropriated in this bill?

Mr. WOODRUM. That is correct.

Mr. DOWELL. Merely the actual loss?

Mr. BOYLAN. The actual loss only.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 46: On page 66, beginning in line 24, insert:

"SEC. 19. The Reconstruction Finance Corporation is authorized and empowered to make loans as hereinafter provided, in an aggregate amount not exceeding $50,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts duly organized under the laws of any State, and to or for the benefit of political subdivisions of States, which prior to the date of enactment of this act have completed projects devoted chiefly to the improvement of lands for agricultural purposes. Such loans shall be made for the purpose of enabling any such district or political subdivision (hereafter referred to as the "borrower") to reduce and refinance its outstanding indebtedness incurred in connection with any such projects, and shall be subject to the same terms and conditions as loans made under section 5 of the Reconstruction Finance Corporation Act, as amended; except that (1) the term of any such loan shall not exceed 40 years; (2) each such loan shall be secured by bonds, notes, or other obligations which are a lien on the real property within the project or on the assessments, taxes, or other charges imposed by the borrower pursuant to State law, or by such other collateral as may be acceptable to the Corporation; (3) the borrower shall agree not to issue during the term of the loan any other bonds so secured except with the consent of the Corporation; (4) the borrower shall agree, insofar as it lawfully may, to pay to the Corporation, until all bonds or other obligations of the borrower acquired by the Corporation are retired, an amount equal to the amount by which the assessments, taxes, and other charges collected by the borrower exceed the cost of operation and maintenance of the project and maturities of interest and principal on its outstanding obligations, and (5) the borrower shall agree, to the satisfaction of the Corporation, to reduce, insofar as it lawfully may, the annual taxes, assessments, and other charges imposed by it for or on account of the project by an amount proportional to the reduction in the corresponding annual requirements for principal and interest of its outstanding indebtedness by reason of the operation of this section. No loan shall be made under this section until the Reconstruction Finance Corporation (A) has caused an appraisal to be made of the property securing and/or underlying the outstanding bonds of the applicant, (B) has determined that the project of the applicant is economically sound, and (C) has been satisfied that an agreement has been entered into between the applicant and holders of its outstanding bonds or other obligations under which the applicant will be able to purchase or refund all or a major portion of such bonds or other obligations at a price determined by the Corporation to be reasonable after taking into consideration the average market price of such bonds over the 6 months' period ending March 1, 1933, and under which a substantial reduction will be brought about in the amount of the outstanding indebtedness of the applicant."

Mr. WOODRUM. Mr. Speaker, amendment no. 46 merely clarifies existing law with reference to loans to drainage districts. It makes no change in the law at all.

Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 46 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of line 1 of the matter inserted by such amendment insert the following:

"SEC. 19. Section 36 of the 'Emergency Farm Mortgage Act of 1933', approved May 12, 1933, is hereby amended to read as follows:

"'SEC. 36. The Reconstruction Finance Corporation is.'"

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SNELL. What is the need of this amendment if it does not change the law?

Mr. WOODRUM. It is clarifying language the Reconstruction Finance Corporation submitted to the Senate and was unanimously approved.

Mr. SNELL. I thank the gentleman for the information.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 47, page 69, after line 2, insert:

Mr. WOODRUM. Mr. Speaker, the matter the Clerk is about to read is the Steiwer-Cutting amendment.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. Mr. Speaker, I thought we were taking up the amendment as it came from the Senate and reading that first.

The SPEAKER. The gentleman is correct.

The Clerk read as follows:

Amendment no. 47: Page 69, after line 2, insert:

"SEC. 20. Notwithstanding any of the provisions of the act approved March 20, 1933, entitled 'An act to maintain the credit of the United States Government', 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"—

Mr. WOODRUM. Mr. Speaker, I thought I was right. Evidently this is the Steiwer-Cutting amendment that the Senate has inserted.

Mr. GOSS. No, Mr. Speaker; this is the Connally amendment that came over in the Senate bill.

Mr. WOODRUM. Well, the Clerk ought to read the Steiwer-Cutting amendment.

The SPEAKER. The Clerk will read the Steiwer-Cutting amendment, as that is the matter properly before the House.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. I have the bill in front of me, H.R. 5389, which we have been following all afternoon. Now, amendment no. 47 of the Senate is not the Steiwer-Cutting amendment at all, and the Clerk had not finished reading that.

The SPEAKER. The copy that the gentleman has probably was printed before the Senate adopted the Steiwer amendment.

Mr. BULWINKLE. But, Mr. Speaker, the House acted the other day on this Connally amendment and substituted for it the House amendment.

The SPEAKER. That is correct.

Mr. GOSS. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. GOSS. In view of the parliamentary situation I would like to get a ruling, if the Chair will permit, on the point that any amendment offered to the Steiwer amendment would be an amendment in the third degree and, therefore, subject to a point of order?

The SPEAKER. The gentleman is correct.

Mr. WOODRUM. I was simply going to ask unanimous consent to dispense with the reading of the Steiwer-Cutting amendment.

Mr. BECK. I object, Mr. Speaker.

Mr. GOSS. The gentleman proposed to have it printed in the RECORD?

Mr. WOODRUM. Yes.

Mr. BECK. I object. I want to hear the amendment.

The Clerk read as follows:

The President is hereby authorized under the provisions of Public Law No. 2, Seventy-third Congress, to establish such number of special boards (the majority of the members of which were not in the employ of the Veterans' Administration at the date of enactment of this act), as he may deem necessary to review all claims (where the veteran entered service prior to November 11, 1918, and whose disability is not the result of his own misconduct), in which presumptive service connection has heretofore been granted under the World War Veterans' Act, 1924, as amended, wherein payments were being made on March 20, 1933, and which are heretofore or hereafter held not service connected under the regulations issued pursuant to Public Law No. 2, Seventy-third Congress. Members of such boards may be appointed without regard to the Civil Service laws and regulations, and their compensation fixed without regard to the Classification Act of 1923, as amended. Such special boards shall determine, on all available evidence, whether service connection shall be found in such cases, and shall in their decisions resolve all reasonable doubts in favor of the veteran. For the purposes of this section the granting of service connection in such cases shall not be based upon the requirements of regulation no. 1, part I, subparagraph (a), or instruction no. 2, regulation no. 1, issued under Public Law No. 2, Seventy-third Congress, it being the intent of this section to preserve service connections as granted by section 200, World War Veterans' Act of 1924, as amended, title 38 of the Code (other than disability resulting from the claimant's own misconduct), unless affirmative evidence clearly discloses that the disease or disability had its inception before or after the period of military or naval service, and was not aggravated thereby.

Notwithstanding the provisions of Public Law No. 2, Seventy-third Congress, the decisions of such special boards shall be final in such cases, subject to such appellate procedure as the President may prescribe, and, except in those cases where the special boards shall find that the award was based upon fraud, misrepresentation of a material fact, or unmistakable error not less than 75 percent of the payments being made on March 20, 1933, therein shall continue to October 31, 1933, or the date of special board decision whichever is the earlier date: *Provided*, That where any case is pending before any one of the special boards on October 31, 1933, the President may provide for extending the time of payment until decision can be rendered. The President shall prescribe such rules governing reviews and hearings as may be deemed advisable. Payment of salaries and expenses of such boards and personnel assigned thereto shall be paid out of and in accordance with appropriations for the Veterans' Administration. In all cases where service connection shall be preserved under the review herein provided, not less than 75 percent of the payments being made on March 20, 1933, shall continue, and the determination of service connection in such review shall be final in all cases: *Provided, however*, That in the event of a change in the degree of disability of any such veteran the amount of compensation payable shall be determined pursuant to the provisions of the World War Veterans' Act, 1924, as amended, and the rating schedule in effect prior to March 20, 1933, and such amount shall not be reduced by more than 25 percent.

Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, in no event shall the compensation being paid for directly service-connected disabilities to those veterans who entered the active military or naval service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, where they were, except by fraud, misrepresentation of a material fact, or unmistakable error, in receipt of compensation on March 20, 1933, be reduced more than 25 percent: *Provided, however*, That in the event of a change in the degree of disability of any such veteran the amount of compensation payable shall be determined pursuant to the provisions of the World War Veterans' Act, 1924, as amended, and the rating schedule in effect prior to March 20, 1933, and such amount shall not be reduced by more than 25 percent; and in no event shall death compensation, except by fraud, misrepresentation of a material fact, or unmistakable error, being paid to widows, children, and dependent parents of deceased World War veterans under the World War Veterans' Act of 1924, as amended, on March 20, 1933, be reduced or discontinued, whether the death of the veteran on whose account compensation is being paid was directly or presumptively connected with service; except that the provisions of this paragraph shall not apply with respect to veterans residing outside the limits of the continental United States and its Territories and possessions, or with respect to any veteran who is being furnished hospital treatment, institutional, or domiciliary care by the United States, or any political subdivision thereof, if such veteran has neither wife, child, nor dependent mother or father.

Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, the pension paid to veterans of any war prior to the World War, or to any widow and/or dependent of such veterans shall not be reduced more than 25 percent of the amount being paid prior to March 20, 1933.

Notwithstanding the provisions of section 17, title I, Public Law No. 2, Seventy-third Congress, any claim for yearly renewable term insurance on which premiums were paid to the date of death of the insured and any claim for pension, compensation allowance, or emergency officers' retired pay under the provisions of law repealed by said section 17 wherein claims were duly filed prior to March 20, 1933, may be adjudicated by the Veterans' Administration on the proof and evidence received by the Veterans' Administration prior to March 20, 1933, and any person found entitled to the benefits claimed shall be paid such benefits in accordance with and in the amounts provided by such prior law: *Provided*, That the payments hereby authorized to be made shall continue only to include June 30, 1933, and only one original adjudicatory action and one appeal may be made in such cases. Where a veteran died prior to March 20, 1933, under conditions which warrant payment of or reimbursement for burial expenses, such payments or reimbursements may be made in accordance with the laws in effect prior to March 20, 1933: *Provided*, That such claim for payment or reimbursement must be filed within 3 months from the date of the passage of this act.

Mr. BECK (interrupting the reading of the amendment). Mr. Speaker, a parliamentary inquiry. Am I privileged to withdraw my objection to the unanimous-consent request to dispense with the reading of the amendment? If so, I withdraw my objection.

Mr. KVALE. Mr. Speaker, I renew the objection.

The Clerk concluded the reading of the amendment.

Mr. WOODRUM. Mr. Speaker, I move that the House disagree to the amendment of the Senate to the amendment of the House to the amendment of the Senate no. 47.

Mr. Speaker, I yield to the gentleman from Massachusetts.

Mr. CONNERY. Mr. Speaker, I offer a preferential motion.

Mr. Speaker, I move to concur in the Steiwer-Cutting amendment.

Mr. WOODRUM. Mr. Speaker, on that, I move the previous question.

The previous question was ordered.

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. This is a direct vote now on the Steiwer-Cutting amendment?

The SPEAKER. The gentleman is correct.

Mr. CONNERY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 177, nays 209, not voting 44, as follows:

[Roll No. 73]

YEAS—177

Allen	Durgan, Ind.	Kinzer	Richards
Andrews, N.Y.	Eaton	Kniffin	Rogers, Mass.
Arens	Edmonds	Knutson	Rogers, Okla.
Ayers, Mont.	Eicher	Kurtz	Sadowski
Bacharach	Eltse, Calif.	Kvale	Scrugham
Bakewell	Englebright	Lambertson	Seger
Beck	Faddis	Lee, Mo.	Shannon
Beedy	Fish	Lehlbach	Shoemaker
Beiter	Fitzgibbons	Lemke	Simpson
Black	Fletcher	Ludlow	Sinclair
Blanchard	Focht	Lundeen	Smith, Wash.
Boileau	Foss	McCormack	Snell
Bolton	Frear	McFadden	Stalker
Britten	Gasque	McFarlane	Stokes
Brumm	Gibson	McGugin	Strong, Pa.
Burnham	Gilchrist	McLean	Studley
Busby	Gillespie	McLeod	Swank
Cannon, Mo.	Goodwin	Maloney, Conn.	Sweeney
Carpenter, Kans.	Goss	Maloney, La.	Swick
Carpenter, Nebr.	Granfield	Mapes	Taylor, Tenn.
Carter, Calif.	Gray	Marshall	Thomason, Tex.
Carter, Wyo.	Griswold	Martin, Colo.	Thurston
Chapman	Guyer	Martin, Mass.	Traeger
Chavez	Hamilton	Martin, Oreg.	Truax
Christianson	Hancock, N.Y.	May	Turpin
Cochran, Pa.	Hartley	Mead	Vinson, Ky.
Collins, Calif.	Healey	Millard	Waldron
Collins, Miss.	Hess	Miller	Wallgren
Condon	Higgins	Monaghan	Watson
Connery	Hildebrandt	Montet	Wearin
Connolly	Hill, Knute	Morehead	Weideman
Cooper, Ohio	Hill, Samuel B.	Mott	Welch
Cravens	Hoeppel	Muldowney	Werner
Crowther	Holmes	Murdock	Whitley
Cummings	Hooper	Musselwhite	Wigglesworth
Darrow	Hope	Nesbit	Withrow
De Priest	Howard	Pettengill	Wolcott
DeRouen	Huddleston	Polk	Wolfenden
Dingell	Jacobsen	Powers	Wolverton
Dirksen	James	Ramsay	Wood, Mo.
Ditter	Jeffers	Randolph	Woodruff
Dondero	Jenkins	Rankin	Zioncheck
Dowell	Johnson, Minn.	Ransley	
Duffey	Kahn	Reece	
Dunn	Kelly, Pa.	Rich	

NAYS—209

Adair	Buchanan	Corning	Ellzey, Miss.
Adams	Buck	Cox	Farley
Allgood	Bulwinkle	Crosby	Fiesinger
Arnold	Burch	Cross	Fitzpatrick
Auf der Heide	Burke, Nebr.	Crowe	Flannagan
Ayres, Kans.	Byrns	Culkin	Ford
Bailey	Cady	Cullen	Fuller
Bankhead	Caldwell	Darden	Fulmer
Beam	Carden	Dear	Gambrill
Berlin	Carley	Deen	Gavagan
Biermann	Cartwright	Delaney	Gillette
Bland	Cary	Dickinson	Glover
Blanton	Castellow	Dickstein	Goldsborough
Bloom	Cavicchia	Dies	Green
Boehne	Celler	Disney	Greenwood
Boland	Church	Dobbins	Gregory
Boylan	Clark, N.C.	Dockweiler	Griffin
Brennan	Cochran, Mo.	Doughton	Haines
Brooks	Coffin	Doxey	Hancock, N.C.
Brown, Ky.	Colden	Drewry	Harlan
Brown, Mich.	Cole	Driver	Hart
Browning	Colmer	Duncan, Mo.	Harter
Brunner	Cooper, Tenn.	Eagle	Hastings
Henney	Lewis, Md.	Pierce	Sullivan
Hill, Ala.	Lindsay	Pou	Sumners, Tex.
Hoidale	Lozier	Prall	Sutphin
Hughes	Luce	Ragon	Taber
Imhoff	McCarthy	Ramspeck	Tarver
Jenckes	McClintic	Rayburn	Taylor, Colo.
Johnson, Okla.	McDuffie	Reilly	Taylor, S.C.
Johnson, Tex.	McGrath	Richardson	Thom
Johnson, W.Va.	McKeown	Robertson	Thompson, Ill.
Jones	McMillan	Rogers, N.H.	Tinkham
Kee	McSwain	Romjue	Tobey
Keller	Major	Rudd	Turner
Kelly, Ill.	Marland	Ruffin	Umstead
Kennedy, Md.	Meeks	Sabath	Underwood
Kennedy, N.Y.	Merritt	Sanders	Vinson, Ga.
Kenney	Milligan	Sandlin	Walter
Kerr	Mitchell	Schaefer	Warren
Kloeb	Moran	Schuetz	Weaver
Kocialkowski	O'Connell	Schulte	West, Ohio
Kopplemann	O'Connor	Sears	West, Tex.
Kramer	Oliver, Ala.	Secrest	Whittington
Lambeth	Oliver, N.Y.	Shallenberger	Wilcox
Lamneck	Owen	Sirovich	Willford
Lanham	Palmisano	Sisson	Williams
Lanzetta	Parker, Ga.	Smith, Va.	Wilson
Larrabee	Parker, N.Y.	Snyder	Wood, Ga.
Lea, Calif.	Parks	Somers, N.Y.	Woodrum
Lehr	Parsons	Spence	
Lesinski	Patman	Steagall	
Lewis, Colo.	Peyser	Strong, Tex.	

NOT VOTING—44

Abernethy	Crump	Lloyd	Reed, N.Y.
Almon	Douglass	McReynolds	Reid, Ill.
Andrew, Mass.	Doutrich	Mansfield	Robinson
Bacon	Evans	Montague	Smith, W.Va.
Buckbee	Fernandez	Moynihan	Stubbs
Burke, Calif.	Foulkes	Norton	Terrell
Cannon, Wis.	Gifford	O'Brien	Treadway
Chase	Hollister	O'Malley	Utterback
Claiborne	Hornor	Peavey	Wadsworth
Clarke, N.Y.	Kemp	Perkins	White
Crosser	Kleberg	Peterson	Young

So the motion of Mr. CONNERY to concur was rejected.

The following pairs were announced:

On this vote:

Mr. Doutrich (for) with Mrs. Norton (against).
Mr. Evans (for) with Mr. Montague (against).
Mr. Buckbee (for) with Mr. Abernethy (against).
Mr. Peavey (for) with Mr. O'Malley (against).
Mr. Burke of California (for) with Mr. O'Brien (against).
Mr. Chase (for) with Mr. Almon (against).
Mr. Douglass (for) with Mr. McReynolds (against).

Until further notice:

Mr. Mansfield with Mr. Treadway.
Mr. Crosser with Mr. Hollister.
Mr. Kleberg with Mr. Wadsworth.
Mr. Crump with Mr. Andrew of Massachusetts.
Mr. Kemp with Mr. Bacon.
Mr. Smith of West Virginia with Mr. Gifford.
Mr. Hornor with Mr. Clarke of New York.
Mr. Fernandez with Mr. Moynihan.
Mr. Claiborne with Mr. Reed of New York.
Mr. Terrell with Mr. Perkins.
Mr. Utterback with Mr. Reid of Illinois.
Mr. Young with Mr. Foulkes.
Mr. Cannon of Wisconsin with Mr. Robinson.
Mr. White with Mr. Peterson.
Mr. Stubbs with Mr. Lloyd.

Mr. CONNERY. Mr. Speaker, my colleague, Mr. DOUGLASS, is unavoidably absent on account of sickness in his family. If here, he would vote "aye."

Mr. BOYLAN. Mr. Speaker, the lady from New Jersey, Mrs. NORTON, is unavoidably absent on account of illness. If present, she would vote "no."

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague, Mr. ANDREW of Massachusetts, is unavoidably absent on account of illness.

Mr. DARROW. Mr. Speaker, my colleague, Mr. DOUTRICH, is absent on account of the death of his wife. If here, he would vote "aye."

The result of the vote was announced as above recorded.

Mr. WOODRUM. Mr. Speaker, there are four other amendments in disagreement, amendments nos. 11, 17, 18, and 21. They have to do with the totals that are dependent on what action is taken by the conferees. I ask unanimous consent that they be considered en bloc and that the House insist on its disagreement to these amendments in order that they may go to conference.

Mr. TABER. Does the gentleman intend to move to further insist on its disagreement to the other amendment?

Mr. WOODRUM. The one we have just considered? The vote we have just taken is equivalent to a disagreement.

Mr. GOSS. What would happen if the conferees got together on another plan?

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the House ask for a further conference on the disagreeing votes on the independent offices appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. WOODRUM, Mr. BOYLAN, Mr. HASTINGS, Mr. BUCHANAN, Mr. TABER, and Mr. THURSTON.

Mr. WOODRUM. Mr. Speaker, there is still amendment no. 13 in disagreement, aside from the veterans' items, having to do with giving the Attorney General power to compromise cases. The conferees when they considered that amendment came to the conclusion that they would recommend the adoption to the House, and when it came to the floor of the House some question was raised about it, and in order that the conferees may consider it I ask unanimous consent that the conferees have authority to deal with that amendment. If the conferees are able to carry out the instructions, we will be able to bring back a complete report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

On motion of Mr. WOODRUM, a motion to reconsider the vote was laid on the table.

RUSSIAN PRIMER

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, yesterday during a discussion on the floor relative to communistic propaganda I stated that a teacher in a Washington public high school had read a Russian primer to the class and stated I proposed to secure the name of the teacher. My remarks could be accepted as condemning the action of the teacher. My purpose in rising today is to say I have secured from a friend a copy of the primer. Of course it is propaganda, but not offensive propaganda. It does not teach revolution; it does not advocate the destruction of governments. It is a statement of facts in relation to the 5-year plan written so Russian children would understand the plan translated in English, printed, and sold in this country.

It is rather socialistic, but I must confess we are in no position to throw stones in that direction in view of the glass houses we have constructed for ourselves. I find the book an interesting statement as to what the Soviet Government is trying to accomplish. It goes into detail as to what machinery can accomplish. Outlining a 5-year plan for children, the 10 suggestions it contains along this line cannot be assailed; in fact, the suggestions might be commended.

Mr. Speaker, I was correct when I said a teacher had read this primer to a class in a Washington high school. Had I read the primer prior to making the public statement, I would not have referred to it. I have made no attempt to learn the teacher's name, nor do I intend to, as I am convinced no harm has been done.

I will go as far as any Member of the House to oppose communism and communistic propaganda; but, finding my criticism in this instance was not warranted, I feel I owe it to the House, the people of Washington, and to the country to make this statement, which I do solely of my own accord.

CAN THE REPUBLIC LIVE?

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered by our colleague, Mr. MCGUGIN, over the radio the other evening.

The SPEAKER. Is there objection?

There was no objection.

Mr. KNUTSON. Mr. Speaker, as the extension of my remarks, I wish to insert in the RECORD a radio speech broadcast by the National Broadcasting Co. of our colleague, Hon. HAROLD MCGUGIN, Representative from the Third District of Kansas, Saturday, June 3, 1933. It seems to me that this speech contains some thoughts which are deserving of the consideration of the Congress and the country.

The speech delivered by Mr. MCGUGIN is as follows:

Friends of the radio audience, the foremost public question before the American people today is whether or not the Republic is to be preserved. He who thinks in the spirit of childish fatalism that somehow the Government will wiggle through and that all that is of importance now is our personal financial affairs is living in a false security.

No government is a stable government which is not a solvent government. The Government of the United States is getting perilously near the point of insolvency. The American people as a whole are not as able to pay taxes today as they were in 1913, yet their tax burden today is far greater than it was in 1913, and their public debt is over eight times what it was in 1913.

In 1913 the total public debt, which included the debt of the Federal Government, the States, cities, counties, and school districts, was $4,800,000,000. By the time this special session of Congress adjourns the total public debt will be approximately $42,400,000,000.

Not only is this $42,400,000,000 debt a terrific burden for the people to bear but it is a great part of our wealth, which is tax exempt and bearing no part of the cost of government. In addition to these direct obligations of the Government which are tax exempt we have started the policy of setting up outside organization, such as the Federal land banks and the Reconstruction Finance Corporation, which we call instrumentalities of the Government. These organizations are authorized to sell their bonds, which are also tax exempt. No one knows how many billions of dollars of tax-exempt securities these special corporations now have outstanding, or will have in the near future. It is probably safe to say that there is either now in existence or authorized at least $50,000,000,000 worth of the tax-exempt securities in the United States. This means that a tremendous part of our property under present values is exempt from any taxation.

Every thoughtful person recognizes the menace of tax-exempt securities in such great proportions. It may be good politics to abuse the men and women who own these tax-exempt securities, yet, the facts are that the people who buy tax-exempt securities are not the ones to be blamed. The ones to be blamed are the officials who issue them and the people who demand money from the Public Treasury, which can only be obtained by the Government borrowing money. So long as the Government spends more money than it takes in it must borrow money. So long as it borrows money it must issue tax-exempt securities, otherwise the rate of interest paid by the Government would be increased. When that would happen, not only the tax burden to meet the interest would increase, but the interest rate on private debts would increase accordingly. No one is going to lend money to individuals and take the chance of loss and receive the same rate of interest which he can receive from the Government.

This special session of Congress has authorized the issuing of about $10,000,000,000 of tax-exempt securities, five billion of which are the direct obligation of the Government and between four and five billion of which are to be issued by these outside organizations, called instrumentalities of the Government. Every dollar of these $10,000,000,000 of new tax-exempt securities is to be issued as the direct result of the universal demand that the Government bear our financial responsibilities.

With the present public debt at approximately $42,400,000,000 this means $353 for each man, woman, and child as compared to $43.50 for each man, woman, and child in 1913. With our millions of unemployed, it is safe to say that in actual practice this debt is weighing more heavily upon them than any other class of our citizens. It is true that they may not directly pay through the window of the public tax collector. However, millions of these unemployed are today out of work because productive industry cannot bear this tax burden. As a result, productive industry is not operating and millions of these people are out of work. In brief, there are millions of people out of work today, hungry, and in destitution, as a direct result of the staggering public debt.

Let us view the financial condition of the Government at Washington in the matter of its permanent debt. At the end of the war the Government owed approximately $27,000,000,000. In 1930 it owed $16,200,000,000. In the middle of March of this year it owed $22,000,000,000. To this $22,000,000,000 there is being incurred an additional debt of $5,000,000,000 by this special session of Congress. This will mean that the debt of the Government of the United States has increased from $16,200,000,000 in the year 1930 to approximately $27,000,000,000 by June 30, 1933, as compared with a national debt of $1,000,000,000 in 1913.

Now, this staggering debt challenges the thought and apprehension of every thoughtful and patriotic citizen. The preservation of the Government given to us by our forefathers inescapably demands that we immediately start on the program of reducing the public debt rather than increasing the public debt. If we are to preserve the Republic, we must now consider what must be done in order to reduce the public debt. A year ago it was imperative that the current expenses of the Government be reduced. That meant that there had to be a reduction in the amount of money paid from the Public Treasury to every beneficiary of the Public Treasury.

For my part I have stood foursquare for adequate and proper reductions in money paid from the Public Treasury. I am firmly convinced that after President Roosevelt has carried out his program of reorganization of the Government, we cannot expect many more substantial reductions from the public pay roll. I am firmly convinced that we cannot expect as many reductions in the veteran expenditures as are now being attempted. Therefore we must now look to other sources to effect sufficient savings in the governmental expenses in order to balance the revenue and expenses of the Government and to reduce the debt.

When we do this we must make our reductions in the things for which we are spending money. What are the things for which we are spending money at this time? They are advancements from the Public Treasury for the purpose of taking care of the private obligations and responsibilities of the people of the country. Carrying on such a program leads first to the complete destruction of the Government and then leaving the people individually in a worse position than they were when they set forth to heap their personal burdens upon the Government.

Now, in the case of a government which coins money and prints currency, what does it do when it cannot meet its obligations? Does it just refuse to pay them, as does an individual or a governmental unit which does not coin money? No. It merely prints currency and wipes out its debts. The more currency which is printed, the less value is the currency when exchanged for commodities. When that program is carried far enough, the people are unable to obtain enough money to buy the necessities of life. When that occasion arises, human suffering exists in the congested centers beyond human endurance. It is then that the social order breaks down. That is the background of the French adage, "The printing press and then the guillotine."

The Federal Government at Washington has already started out on this program. Under existing conditions I think the program which the Government has started upon is necessary and all right providing it is held in bounds. By the first of the year 1933 the American dollar, measured in the usual value of commodities, had reached a point where it was worth $1.62. The United States is now off the gold standard. The dollar is going down in value. It seems to me that it is all right for the dollar to descend in value until it reaches the point where it is worth 100 cents, when exchanged for commodities, but if it goes beyond that point, our peril is only to be measured by the extent that the dollar goes below a value of 100 cents when exchanged for commodities. In other words, if the inflation gets away from us, we will experience what Germany experienced after the war, and what the Thirteen Colonies experienced during and following the Revolutionary War. Inflation can reach a point where a $10 bill will not buy a breakfast. If ever inflation runs wild in this country, the distress and the despair of the American people will be manyfold that which they have as yet experienced.

No government ever went into wild inflation except that it had a debt which it could not meet in any other manner. We have undertaken to guard against this evil event by placing full control of our money in the hands of President Roosevelt. In my judgment, this is our only hope to save us from an excessive inflation. However, if the public debt continues to mount, President Roosevelt will be as helpless as a child in trying to hold the inflation in bounds. After all this is a democracy. In the end, the people are going to do what they want to do. There is no way to place sufficient power in the hands of the President so that he can prevent the people from destroying themselves if they are determined to do so.

This last emergency bill of $3,300,000,000 must be the end of our efforts to bring ourselves out of our present despair through the aid of government. It seems to me that it is our last desperate struggle. If, after this money is expended, the people are not able to care for themselves and in turn support the Government, we may as well resign ourselves to whatever may be our fate with the passing of the Republic.

If this $3,300,000,000 proves to be a stop-gap and is the means of tiding us over until the usual order is reestablished, it will have been worth the effort. With our monetary reform to date we are getting an increase in our price level. It is hoped that this increase in the price level will place the producers of farm and mineral products upon their feet. It is to be hoped that $3,300,000,000 of public works will tide over the unemployed pending the time when the producers of the raw products of the farm and the mine sufficiently recover financially to be able to buy the products of industry and thereby restore employment for many of the unemployed.

The most menacing thing in American life today is the utter dependence which seems to exist in the minds of our people. Unless this public thought can be changed there is no hope to save the Republic we have known. On May 2 and 3 of this year an association of college graduates met in Washington. This association passed a resolution demanding that it was the obligation of government to provide a subsistence for college graduates specifically mentioning school teachers, doctors, dentists, nurses, lawyers, architects, chemists, and engineers. Now, when in a country college graduates cannot some way take care of themselves, then that country is about at the end of its road.

We also see captains of finance and industry coming before the Congress under the white flag of surrender and asking the Government to give to their institutions financial support and governmental management. It looks as if all the officers in the once proud economic army of America are surrendering. When any government takes over the responsibility of operating industry, financing industry and furnishing employment to the people, that government ceases to be a republic and becomes a communistic government. All that there is to communism is that it is a government wherein all the people work for the government; therefore, the government must own and operate all productive industry. The price which any people must pay for such a government is a surrender of their personal and human liberty. Strange as it may seem, those who advocate the socialistic principle, profess to be the greatest liberals, yet they are advocating a principle which leads to the most tyrannical society and the greatest destruction of human liberty yet to be found in recorded history. In proportion to the extent the people turn to the government for support and subsistence they give up their liberty.

Since the 4th of March the people of the United States have demanded and received more relief from their Government and more governmental control over their business and lives than they have ever heretofore demanded from the Government. Likewise, since the 4th of March we have seen the people surrender more of their liberties to the President of the United States than have ever been surrendered before in the history of the country. So today, in our own country, in proportion to our increased dependence upon the Government, we have surrendered our liberties.

It is the hope of every patriotic citizen that President Roosevelt is going to be able to exercise these powers as a means of restoring the liberties of the people. We all know that that is his ambition. We all know that he has no dream of dynasty. If he fails, we are bound to awaken one day to find that our liberties are not being temporarily held in trust by a President but held in fee by someone not chosen by the people. Unless we can quickly get this Government on a solvent basis he will fail. The Government will be on a solvent basis whenever the people in all walks of life support themselves and in addition thereto contribute enough to the Government to meet the current expenses of government and in an orderly manner retire the debt already incurred.

HITLER'S AMERICAN ALLY, ST. JOHN GAFFNEY

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to the persecution of the Jews, and to include therein excerpts from articles appearing in the New York Journal, the New York Sun, and the New York Times, and certain correspondence from Mr. MCGRATH.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker, I represent the Thirteenth District of California, in which reside approximately 50,000 citizens of the Jewish faith of German extraction. These people are law-abiding, honorable citizens, and they are a credit to the community in which they live. They contribute largely to the making of the city of Los Angeles, which is the largest metropolitan city on the Pacific coast. These citizens resent the persecution of the Jews in Germany, as do all Americans who are opposed to intolerance. They are greatly exercised over the tragic situation which is today confronting the Jewish race in Germany. They have tried to remain silent, thinking possibly the reports from the German Republic were exaggerated, but since positive proof has been forthcoming they have become all the more resentful of this terrible persecution of an innocent people.

An organization was formed in Los Angeles by the Jewish people to oppose this horrible treatment of the Jews. Rabbi Edgar F. Magnin was elected chairman, and they did me the honor of electing me honorary vice chairman. I have been informed from time to time by this organization that mass meetings were being held, and so many people of all creeds—Jews, Protestants, and Catholics—turned out for these meetings that thousands had to be turned away.

A pamphlet was sent to me by a Mr. T. St. John Gaffney, who was an American consul in Germany some years ago, and who I understand was removed from office during the administration of President Wilson. The object in sending out this pamphlet apparently was to minimize and make excuses for the Hitler atrocities. It would seem quite clear to the average person reading over this pamphlet that it is not worthy of any consideration, as I feel that the statements contained therein have been greatly exaggerated.

I wish to include as part of my remarks the following excerpts from various newspapers in New York, published in 1915, which will give my listeners an idea of the caliber of this man, Mr. T. St. John Gaffney:

[New York Times, Sept. 29, 1915]

The newspapers toward the end of September 1915 carried dispatches from Washington stating that the State Department had decided to ask for the resignation of T. St. John Gaffney, United

States consul general at Munich. It was charged that Gaffney showed partisanship in the manner in which he handled the business of his office, which was also in charge of British consular affairs in Munich. It was charged that he wrote anti-British articles for publication, also a commendatory letter for publication in Germany, which had been running a series of articles attacking the American Government, specifically Secretary of State Bryan, for the attitude of neutrality in the war. It was said that these statements also reflected upon President Wilson's policies. Another charge was that a letter from an officer of an Irish-American society had been sent to Germany in the consular pouch of the Austro-Hungarian consulate instead of through the regular State Department pouch. Another charge against G. was that he had entertained Sir Roger Casement at a dinner in Munich after Casement had left the British consular service and initiated a movement for the liberation of Ireland with the help of Germany.

[New York Sun, Sept. 26, 1915]

Americans caught in Germany at the outbreak of the war had complained to the State Department of G.'s partisan attitude. It was said that he showed such intense sympathy with the German cause as to make him offensive to many British subjects in Germany whom he was officially required to aid, the United States having taken over the consular and diplomatic interests of Great Britain.

[The Herald, Sept. 28, 1915]

At the outset of the war G. made an official visit to England for the inspection of prison camps there, and his criticism of the British brought forth a complaint from the British Government. The representatives of other allied governments had also complained about G. to the Washington administration. It was recalled that G.'s career had been a stormy one almost from the time of his appointment by President Roosevelt in 1905. The question of his removal had come up in 1913, but he was then transferred from Dresden to Munich.

[New York World, June 19, 1915]

G. wrote an open letter which was published in the New York World denying that Americans were ill treated in Germany and criticizing conditions in England, Russia, and Italy. In the course of this letter G. declared: "In England strikes and riots and the tax on unfortunate civilians are a daily occurrence." He accused the American press of publishing and accepting at their face value dispatches which he alleged were "fabricated" in London, Paris, or Petrograd, and he warned that such publicity endangered German-American friendship.

[New York World, Sept. 29, 1915]

The letter which it was charged was sent to Germany in the Austro-Hungarian pouch was written by Dennis A. Spellissy, an officer of the Irish National Volunteers. At the same time the German and Austro-Hungarian Ambassadors were complaining of their inability to communicate with their capitals.

[New York Times, Nov. 29, 1915]

Upon his return to the United States, toward the end of November 1915, G. vociferously complained to fellow passengers on the ship that he was not being justly treated by the State Department. He flatly denied all the charges which had been published in the newspapers. In answer to the charge of rudeness to American and British citizens, he alleged that the facilities of his office were so overtaxed that it was not possible for him in the early days after the outbreak of the war to give the proper attention to all applicants; volunteer workers lacking in training had to be engaged, and some of these may not have been courteous to those who called at the consulate. As for the letter sent by the officer of an Irish-American organization, G. protested absolute ignorance and said he had never received the letter in question, nor was it true that he had entertained Sir Roger Casement; he had given a dinner in honor of former Mayor MacLellan, of New York, at whose request he had invited Casement. Mr. G., however, did not deny his anti-British and pro-German sympathies.

[New York Times, Aug. 30, 1916]

It appears that G. went back to Munich after spending some time in the United States and returned to the country in August 1916, when he gained a great deal of notoriety by attacking the United States Government's policies on shipboard. To the disgust of a number of passengers he openly approved the Zeppelin raids and the sinking of the *Lusitania*.

[New York Times, Feb. 7, 1917]

In a wireless dispatch from Berlin the foundation of a German-Irish association in that city is reported. The association is presided over by Herr Mathias Erzberger (then head of the Conservative Party), Count Von Westart (then head of the Pan Geman Party); the board of directors included Herr Ernst Wesserman (then head of the National Liberal Party), Prince Bluecher (who was supposed to represent the Kaiser), and T. St. John Gaffney.

[New York Tribune, Feb. 19, 1918]

A year later G. was dropped from membership in a Republican club in New York City, ostensibly for nonpayment of dues. A member of the war committee of the club, however, said that the club was satisfied that since April 1917 G. had been traveling between Berlin and Stockholm as a German propagandist.

[New York Times, Jan. 26, 1930]

In the February 1930 Current History G. published an article in which was included the text of a letter he had received from the Kaiser in which the chief point made was a denial that there had ever been such a thing as the Potsdam crown war council. In this article G. ardently defended the Kaiser against the war-guilt charge.

[New York Times]

In the March 1930 Current History G. published another article protesting against article 231 of the treaty of Versailles, in which Germany accepts the blame for the outbreak of the war.

[New York Times, Feb. 19, 1933]

In February 1933 G. gave to the press the text of a letter on technocracy which he had received from the Kaiser.

Mr. Speaker, it is my earnest desire that this country use its good offices to put an end to this intolerable situation. May we all join with these good people in the hope that our Government will express itself to the Government of the German Republic in behalf of the individual rights of the citizens of all faiths.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. BYRNS. Mr. Speaker, the gentleman has that permission already. I object.

Mr. FISH. I simply ask the same right that other Members are asking.

Mr. BYRNS. I object. The gentleman has the same opportunity that other Members have.

POSTAL LEGISLATION—SEVENTY-THIRD CONGRESS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered over the radio at noon today by the Chairman of the Committee on the Post Office and Post Roads, the gentleman from New York [Mr. MEAD], relative to postal legislation in the Seventy-third Congress.

The SPEAKER. Is there objection?

There was no objection.

Mr. WITHROW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered over the radio at noon today by the Chairman of the Committee on the Post Office and Post Roads, the gentleman from New York [Mr. MEAD], relative to postal legislation in the Seventy-third Congress:

In opening I congratulate the postal workers upon their efficiency and loyalty and assure them of the continued consideration and appreciation of the Committee on the Post Office and Post Roads of the House of Representatives.

The history of our Postal Service is the history of the postal workers. It is their unfaltering adherence to the traditions of dependability, courage, and loyalty which has made possible the expansion of the service. The postal employees are gamely making sacrifices today to save that big industry in its present-day perfection for the country, and it is only right that the public should realize and understand their hardships so that they may extend cooperation.

Judging from the number of letters which I receive each day from post-office employees inquiring as to how the bills before Congress will affect them, I thought you might be interested in a résumé of this session's postal legislation, although the measures we have been forced to consider in order to balance the country's Budget are not the kind we have enjoyed passing. And while it is true that our salaries are being reduced, it is also a source of satisfaction that the Postal Service is successfully holding its big family together during the present widespread economic crisis.

I believe the Department will weather the storm without dismissing any of its efficient, faithful, regular employees. This will be permissible because of the number of retirements effective July 1 next and also because of the desire of the Postmaster General to share the work by use of the rotative furlough.

In its program to reduce the postal deficit, the Department has pledged itself not to discharge employees nor to impair the service. Speaking at a recent meeting, the Postmaster General's executive assistant stated, "Whatever reduction of force may be necessary in the Postal Service will be accomplished in the main by voluntary retirement, by cutting down the hours of labor or the hours of duty of clerks, city carriers, and supervisory employees, and by lowering the allowances of rural carriers, not by dismissing them."

The single exception mentioned referred to the clerks at those second-class post offices which will be relegated to the third class on July 1 as a result of the decreased postal receipts during the past calendar year; and even in those cases the Department is making a strong appeal to the postmasters to retain the present personnel whenever possible.

THE ECONOMY ACT

I shall dwell but briefly upon the provisions of the Economy Act which became effective April 1 of this year and will continue in force during the fiscal year 1934. It provides, as you know, for pay cuts based upon the cost of living, such reductions not to

exceed 15 percent. It continues the provisions of the previous Economy Act of a year ago suspending automatic promotions and the filling of vacancies, reducing travel allowances, and permitting the temporary interchange of assignments among postal employees without change of pay-roll status.

It does away with the 24-day legislative furlough which created so many difficulties, restores annual leave with pay, restores the full night-work differential, and removes the restriction against the payment of a higher rate of compensation for overtime work.

With a restoration of the 1926 price levels and an increase of postal business wages and working conditions in the Post Office will return to normal again.

In keeping with the economic trend of our time I predict a 5-day week for postal workers, and to correct the abuses of this machine age in which we live a shorter workday and a shorter workweek will soon be enjoyed by the workers generally throughout America.

RETIREMENT

Probably no subject is of greater interest right now than retirement.

The independent offices appropriation bill, which is still under consideration, contains legislation on this subject. It provides that until July 1, 1935, any civil service employee who has an aggregate period of service of at least 30 years to his credit may be separated from the service with full annuity. From this amount 3½ percent will be deducted until he reaches the age prescribed in the Retirement Act for automatic separation.

Should the annuitant be reemployed in the service of the Government before reaching retirement ago, the pension provided by this bill shall cease, and his subsequent annuity rights shall be determined in accordance with the provisions of the retirement law applicable at the time of his later separation from the service.

In the words of the Director of the Budget, "The provision authorizing the retirement, with retirement privileges, of Federal employees who have been in the service 30 years is for the purpose of meeting the situation which will develop under the retrenchment program. It is not contemplated, under the provision of the act, that those who have been in the service more than 30 years will be of necessity discharged. The President is given broad power to except those who have been in the service 30 years or more."

Annuities of 30-year employees who are involuntarily separated from the service are protected by the bill, and it is understood that this authority will be used to reduce the personnel only where necessary in order to avoid dismissals.

ROTATIVE FURLOUGH

The independent offices appropriation bill repeals the former administrative furlough and provides a new furlough plan to avoid the necessity of making discharges when there are more employees than the needs of the service require.

This plan is to divide the work among all the officers and employees in rotation, placing workers on furlough where necessary to carry out this idea, but not furloughing anyone for more than 90 days during the fiscal year.

The President is directed to issue rules and regulations in this respect so that the action taken by all departments and establishments will be uniform in applying the furlough.

Because of the difficulties which would arise were the furlough applied in the Rural Delivery Service, the bill does not apply in this connection to rural carriers, but, instead, authorizes the President to reduce or suspend their equipment allowance during the fiscal year.

I feel confident that this furlough authority will be exercised with discretion and put into operation only when the choice lies between furloughing or dismissing employees.

POSTAL RATES

The changes in legislation which I have just mentioned were recommended as necessary in view of existing conditions. Personally, I wish there were other ways of paring our Budget so as not to disturb the incomes of the lower salaried employees who need every penny to make ends meet. However, while salaries are being reduced, at the same time we are looking forward to means of restoring these reductions before long. Although it appears necessary to reduce expenses at this time, this retrenchment is also serving as a foundation for going forward and building up business which will justify legislation of the future to increase the opportunities offered by the Postal Service.

One of our chief objectives at this time is building up the volume of mail business. We have the skilled employees, the equipment, the space, and the facilities to handle many times the present volume without increasing expenses.

Raising first-class postal rates from 2 to 3 cents was a mistake. It has cost us millions of dollars. Large mailers are using the third-class instead of the first-class. Many of them have forsaken the Postal Service entirely, using their own employees for the delivery of local matter which formerly went through the mails at the lower rate. To win back this business we must restore the 2-cent rate!

Within the past few days Congress sent a bill to the President reducing the rate from 3 to 2 cents an ounce on first-class mail matter addressed for local delivery. I believe the results of this reduction will warrant reducing all first-class postage to 2 cents before long. This bill will give the President authority to make such a reduction.

In addition to restoring the 2-cent rate on local first-class mail matter the bill also gives the President authority during the next fiscal year to modify other rates of postage—including second-, third-, and fourth-class postage—as seems advisable, and to make corresponding modifications in the percentages of gross postal receipts to be counted in determining the classification of post offices and salaries of postmasters.

With the reduction from 3 to 2 cents on local first-class matter, 90 percent of the gross postal receipts are to be counted in determining the classification of offices having city or village delivery service.

The Post Office Department needs more mail volume. Volume will reduce the unit cost of handling the mail. We can take on $100,000,000 worth of additional mail matter without materially increasing the expenses of the Department. To secure such additional mail volume our postage rates must not be excessive. After July 1, when 2-cent postage on local letters becomes effective, I am convinced that postal volume and postal revenues will increase.

We have some welcome reports in this respect already. For the first time since the depression the reports indicate that postal receipts are increasing all over the country, which means that business is reviving, as postal receipts are a dependable barometer of business. The receipts during the month of May at 50 selected offices showed a gain of 3.68 percent as compared with the same month a year ago. The highest percentage (18.64 percent, or $94,510.57) of increase was at Kansas City, Mo., although New York City showed the largest actual increase in dollars—$390,148.29, or 8.28 percent.

CONCLUSION

And now a word to my other listeners who are not postal employees.

The Postal Service is not a profit-making enterprise; it is here to serve. It has played an important part in every development in our country's history. Daily it brings the news to your door. Daily it delivers your messages across country and even across seas. It functions so efficiently that you probably take its operations as a matter of course and do not stop to realize the enormous scope of the postal activities.

Here is a service unsurpassed in efficiency, maintained for your benefit, and affording employment to hundreds of thousands of American citizens. It requires your cooperation, however, to keep this service operating. Won't you do your part by making use of its facilities?

Mr. BLACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including therein the program and policies of the Steuben Society of America.

Mr. FISH. Mr. Speaker, I object.

GRASSHOPPERS

Mr. SHOEMAKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHOEMAKER. Mr. Speaker, we are just beginning to be swamped with telegrams from the States of Minnesota, North Dakota, and generally throughout the Northwest, to the effect that grasshoppers are coming out and raising havoc with our crops. We have made absolutely no provision in the way of appropriation to cover that situation. I appeal to the Committee on Appropriations to report favorably a resolution which lies on the desk, introduced by the gentleman from North Dakota [Mr. LEMKE]. I ask unanimous consent for its present consideration.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. BLANTON. Mr. Speaker, this measure, which is House Joint Resolution No. 203, introduced by our colleague from North Dakota [Mr. LEMKE] on June 9, 1933, proposes to appropriate the large sum of $980,000 "for control of the grasshopper." That is quite a sum of money to spend on grasshoppers. It is practically a million dollars. If we had plenty of money in the Treasury, and did not have to further tax the people to get it, possibly the matter would be worthy of consideration. But this bill has not yet received the favorable consideration of a committee. It has not yet been reported and put on the calendar.

Until we take the 2-cent tax off of bank checks, which in the first place never should have been levied, I am not in favor of appropriating $980,000 on any grasshopper program.

Until we repeal the law that requires 3 cents postage on first-class mail, and again return to the sane practice of sending a letter anywhere in the United States for 2 cents, I am not in favor of wasting $980,000 trying to control grasshoppers.

Until we are able to unburden the people from the many nuisance taxes which now hang heavily upon their shoulders, I am not willing to further tax the people to raise this additional $980,000 for somebody to waste messing around with grasshoppers.

The people in King Pharaoh's time were plagued with grasshoppers. There have been grasshoppers in all of the centuries that have passed since then. We have them now, and we will always have them. We could waste 10 times this $980,000 and we would not control them. I am not in favor of spending this nearly a million dollars on grasshoppers, hence I object.

Mr. SHOEMAKER. If it was for the boll weevil, would the gentleman from Texas object?

Mr. BLANTON. Yes, I would. I am against spending any money that is not absolutely necessary. I object to spending nearly a million dollars for any such purpose at the present time. We who have charge of the business of this Government, before we spend any sum of money, ought to stop and first ask ourselves the question: "Is this necessary; can we do without it?" That is the plan we pursue with respect to our own personal affairs, if we keep our debts paid, and that is the plan we should pursue with respect to all business of the Government. In no other way will we keep this Government out of bankruptcy. I therefore object. The people of the United States do not want $980,000 of their tax money spent for this purpose at this particular crucial time in our history.

I regret having to deny the request of the gentleman from Minnesota, but this bill ought not to pass. This million dollars should be saved for the people. I therefore object to this bill being considered.

ORDER OF BUSINESS

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman has that permission already.

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute on the subject of veterans.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, that is a rather large subject and we have just finished a discussion of it.

Mr. LUNDEEN. Then I shall make a parliamentary inquiry. Mr. Speaker, we have two petitions on the Speaker's table, one a petition to discharge the committee from further consideration of the soldiers' adjusted compensation bill (H.R. 1), and the other referring to the repeal of the Economy Act (H.R. 5393). My parliamentary inquiry is this, Will the signatures that are on those petitions remain there until the next regular session, and may they be added to then?

The SPEAKER. They will remain as they are.

Mr. LUNDEEN. I call the attention of Members of the House to those two petitions and ask their signatures.

I filed these two petitions to discharge the committees handling these two bills, and I made a strenuous effort to bring these two bills before the House of Representatives for action in order that something might be done for the veterans of America and for the Federal employees. I want the country to understand that when a bill has remained in a committee for 30 legislative days, slumbering away there without any action being taken, dying away, as it were, any Member of the House may petition to discharge the committee and bring the bill before the House; and if 145 Members attach their signatures to the petition, the committee is automatically discharged and the bill brought before the House.

A short time ago there was a move on foot to raise the number of signatures required from 145 to a majority of the 435 Members of the House, making it almost impossible for any Member to resurrect a bill pigeonholed in some committee. This move was defeated and the 145 rule still stands.

Is it not strange that in this land of democracy the Steiwer-Cutting amendment, which was debated for hours yesterday in the United States Senate, and which was passed by the United States Senate by a vote of 51 to 39, giving something between thirty and seventy million dollars more money to the veterans of America—I say, is it not strange that when this bill comes to the House of Representatives, with its two-thirds Democratic majority, immediately we are all muzzled; that the previous question is immediately ordered and all debate is shut off, so that no one can speak for improved conditions for the soldiers of America who wore the country's uniform in time of war?

The gentleman from Texas, in stating that "we have just finished a discussion of it", is in error. There was no discussion of this question at all in the House. The previous question shut off all discussion of this soldiers' legislation. I say we were muzzled by this Democratic majority. Free discussion was prevented, and we were forced to a roll call without any discussion.

I want the RECORD to show that I am opposed to this kind of procedure, and I am astonished, when a Member of this House asks consent to proceed for the very short period of 1 minute on the subject of the veterans of America, that any Member of this House should object, and make an erroneous statement that there has been a discussion of this subject, when there was no discussion at all. If Members of Congress refuse to debate the subject of veterans' legislation here, I will venture this: That soldier lads will come marching into Congress to replace sitting Members who voted against soldier legislation and who voted against discussion of soldiers' legislation upon this floor.

I want the country to know that I am for complete and absolute repeal of the "Economy League" bill known as "An act to maintain the credit of the United States Government", and which I wish to refer to as "An act to discredit the Government of the United States", for surely the Government can gain no honor or glory by throwing soldiers out of their hospital beds and reducing hundreds of thousands of men to abject poverty and destitution and sending them to the soup line. I want the soldiers of the country to know that I am making a last-ditch fight for every veteran of every war in America, and I want the Federal employees to know that I have stood with them on every question before this House. The faithful service rendered by the Federal employees entitles them to a living American wage while they are serving the country and to a decent, respectable pension when they have retired.

The soldiers of America who were sent forth to war—Civil War, Spanish War, World War, or whatever struggle may be mentioned in which we have engaged—these men are the forgotten men today. It may not have been clear to the country when the future president spoke of the forgotten man during the campaign, but it may well have been that the forgotten man was a soldier and it seems to me that the forgotten man is the soldier of America, the Federal employee, and the man who served the Government. And it seems to me that we are forgetting the veterans and Federal employees and remembering instead foreigners, kings, and emperors across the ocean, and empires. We remembered them in 1926, when we cut more than 50 percent off their debts, incurred during the war and after the war—a total amount of $12,097,667,000 as shown by the speech of Senator Howell, of Nebraska, in 1932—himself a Spanish-American War veteran, a brilliant Senator, and a good American. And now we are remembering Europe by accepting less than 10 percent—because that is what it amounts to when the payment in silver is considered—and that in the face of the fact that the foreign countries tell us they will pay no more than 10 percent, and refer to the Lausanne agreement, and use the same argument that was used in the discussions concerning Germany, so that the balance of the amount due this country, of which more than one half had already been canceled in 1926, is to be cut down to a dime on the dollar, or less.

It cannot be said that we are accepting this on account, and that we are not canceling, and that only Congress can cancel, because the foreign countries state specifically that they are paying this small amount with the definite and specific understanding that it is to be on the terms of the

Lausanne agreement—10 percent, or less than 10 percent, since the payments are being made in silver. And the chief gentleman carrying on the negotiations as unofficial Ambassador to Europe is Norman H. Davis, many times on the J. Pierpont Morgan & Co. preferred list, propagandist, and fugitive from justice, as shown by Congressman TINKHAM's speech on this floor, and those who were associated with him in Europe are still there, evidently carrying out the wishes of the great banking House of Morgan to the detriment of this country. I sincerely hope that the four distinguished appointed delegates will undo the damage done by Mr. Davis and his associates, and represent America to the end that this money will be paid into our empty Treasury. That might help to balance the Budget.

The Democratic membership may shut off discussion on soldiers' legislation in this House now, but they are not going to be able to shut off discussion in the 1934 campaign and in the 1936 campaign. The soldiers of America and their friends will speak then, and it is my belief they will speak in no uncertain language.

CIRCUIT JUDGE FOR THE NINTH JUDICIAL CIRCUIT

Mr. LEWIS of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (S. 813) to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized, by and with the advice and consent of the Senate, to appoint a circuit judge to fill the vacancy in the United States Circuit Court of Appeals for the Ninth Judicial Circuit occasioned by the death of Hon. William B. Gilbert. A vacancy occurring at any time in the office of circuit judge referred to in this section is authorized to be filled.

The SPEAKER. Is a second demanded?

Mr. BLANTON. Mr. Speaker, I demand a second.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Colorado is entitled to 20 minutes and the gentleman from Texas to 20 minutes.

Mr. LEWIS of Colorado. Mr. Speaker, this bill is to restore to the ninth circuit a fourth judge, who has been there for several years. Under the act of 1929 creating the fourth judgeship it was provided that upon the death of the senior circuit judge such vacancy should not be filled unless authorized by Congress. The senior circuit judge has died. This bill authorizes the filling of the vacancy. The ninth circuit has a greater amount of business than most of the circuits in this country.

I quote from the report of the Judiciary Committee of the House:

The Committee on the Judiciary, to whom was referred the bill (S. 813) to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit, after consideration, reports the same to the House with the recommendation that the bill do pass.

This bill authorizes the appointment of a circuit judge for the ninth circuit to succeed Hon. William B. Gilbert, deceased. Such appointment, under existing law, is prevented by a limitation in section 2, chapter 413, Forty-fifth Statutes 1414. There are now three circuit judges in the circuit. Your committee is of the opinion that four judges are required properly to discharge the business of the circuit court of appeals.

The ninth circuit is composed of the following States: Arizona, California, Idaho, Montana, Nevada, Oregon, and Washington, and the Territories of Hawaii and Alaska. The court also hears appeals from the United States Court for China.

From information furnished the committee by the State Bar of California, the following appears:

"The population of the ninth circuit has increased from 3,204,752 in 1900 to 10,131,325 in 1930.

"In 1900 there were 11 district judges within the circuit, while there are now 28.

"During the fiscal years 1900–29 the Circuit Court of Appeals for the Ninth Circuit has disposed of more cases than any other circuit except the second, where there are now 6 judges, and the eighth, which was recently divided into 2 circuits, the new eighth with 6 judges (1 retired) and the tenth with 4 judges."

The report of the judicial conference, published in the Annual Report of the Attorney General for the fiscal year 1932, page 8, contains this paragraph:

"There is, however, a special exigency in the ninth circuit, where there are at present only two circuit judges. The pressure of the work of the district courts is such that district judges are not available to carry on continuously the work of the circuit court of appeals. As a result, it appears that the court has been compelled at times to sit with only two judges. To provide adequate service in that court there should not only be a successor to fill the vacancy caused by the death of Judge Rudkin but there should be a removal of the existing limitation upon the appointment of a successor to Judge Gilbert (act of Mar. 1, 1929, c. 413, secs. 1 and 2, 45 Stat. 1414; U.S.C., title 28, sec. 213 (b)). The conference renews its recommendation to this effect."

The Attorney General also favors this proposed legislation as indicated by the following excerpt from a communication which he addressed to the Chairman of the Senate Judiciary Committee under date of May 2, 1933:

"For the past 3 years the conference of senior circuit judges has recommended legislation to provide for the appointment of a successor to Judge Gilbert and this Department has several times expressed its approval of such legislation. The Department file on this matter contains resolutions urging enactment of legislation to provide for the appointment of a fourth judge in the ninth circuit from the Bar Association of San Francisco and the Montana State Bar Association. The material at hand convinces me of the necessity for this legislation."

Justice William H. Sawtelle, of the ninth circuit, in citing the fact that the work of the court in 10 years increased 58 percent; that from 192 cases docketed in 1921, there were 327 cases in the fiscal year 1931; that in 1900 the ninth circuit reviewed the decisions of 11 United States district judges, whereas in 1930 it reviewed the decisions of 28 district judges, concluded:

"If we are not given an additional judge one of three things must happen—

"(1) We must continue to work overtime at the risk of impairing our health.

"(2) We must let the work get behind.

"(3) We must turn out opinions without giving them the consideration that their importance warrants."

This bill has been urged by the Attorney General. It is approved and urged by the bar associations of the ninth judicial circuit. It is urged by the Attorney General. It has been passed by the Senate. It has been reported favorably by the Committee on the Judiciary.

Mr. TARVER. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. TARVER. Is it not true that quite a large number of new Federal judges have been urged by the Department of Justice, and in what respect does the judgeship in which the gentleman is interested differ from some score of others which have been recommended by the Department during the last year or two.

Mr. LEWIS of Colorado. I may say to my distinguished friend that it differs in this respect: That the judicial conference and the Attorney General have not urged any additional circuit judges, as far as I am informed, except this one.

Mr. TARVER. Oh, the gentleman is mistaken. They have urged quite a number of circuit judges as well as district judges.

Mr. LEWIS of Colorado. Circuit judges? That is not my information, and such is not the report of the judicial conference, headed by Chief Justice Hughes.

Mr. BLANTON. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. BLANTON. The gentleman was not here when this fourth judge was provided for the California circuit.

Mr. LEWIS of Colorado. May I interpose, this is not merely for California but it is for the entire ninth judicial circuit, comprising 7 States and 2 Territories.

Mr. BLANTON. But if the gentleman had been here he would remember there was a sick judge out there who was not able to transact business, and they came here and asked for an extra judge to fill his place during his lifetime. They assured Congress at that time that when the sick judge died there would not be a successor appointed for him; that that would end it. Why do they not keep faith with the Congress? Why do they come here now and ask for another? I do not think it is fair, either to the Congress or to the people of the United States.

Mrs. KAHN. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mrs. KAHN. Might I say that when the other judge was appointed, the population of the ninth judicial circuit at that time was 3,204,000? It has increased to 10,131,325

in 10 years. There were 11 district judges then within the circuit. There are now 28. Those men have on an average of nearly 100 cases a year to decide, which is entirely too many for any judge to pass upon.

Mr. BLANTON. Will the gentleman yield further?

Mr. LEWIS of Colorado. Certainly.

Mr. BLANTON. Does the gentleman know anything about what time those three Federal judges are busy each year? Possibly if they worked a few more hours each week there would be no congestion. I am afraid they are idle much of the time.

Mrs. KAHN. They may do that in the Texas circuit, but they do not do it in the ninth circuit. [Laughter and applause.]

Mr. BLANTON. My experience has been that if they would really do a day's work about 5 days a week, about 4 weeks a month, and about 10 or 11 months in the year they could take care of every bit of business out there.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. ZIONCHECK. I want to call to the attention of the gentleman from Texas the fact that out in the West we have a great many interstate commerce cases and bus cases, and that the law requires 3 judges to sit upon those cases, 1 judge from the circuit court of appeals and 2 district judges. There are enough of those cases to require that one man, just to keep going around and sitting with the other judges on the bench. In the West when we have work to do we work 25 hours a day—12 hours during the day, 12 hours at night, and during the noon hour. We do not do the way they do down in Texas.

Mr. TARVER. Will the gentleman yield further?

Mr. LEWIS of Colorado. I yield.

Mr. TARVER. How long since this judge died?

Mr. LEWIS of Colorado. I do not recall at this moment.

Mr. TARVER. The gentleman is wanting to create a new judgeship in place of the judgeship which became vacant through the death of the incumbent?

Mr. LEWIS of Colorado. Yes.

Mr. TARVER. When did he die?

Mr. LEWIS of Colorado. I have forgotten the date.

Mr. ZIONCHECK. Judge Rudkin died about 2½ years ago.

Mr. LEWIS of Colorado. Mr. Speaker, I yield the balance of my time to the lady from California [Mrs. KAHN]. [Applause.]

Mrs. KAHN. Mr. Speaker, I certainly appreciate the applause, but I hope you will "say it with votes." [Applause.]

In the ninth circuit district there are included the States of Arizona, California, Idaho, Montana, Nevada, Oregon, and Washington, the Territories of Hawaii and Alaska, and occasionally the court hears appeals from the United States Court for China.

Most of the Members of this House are lawyers and can well appreciate the number of cases that must come from all those States into the court.

As I said before, the population has increased from 3,000,000 to 10,000,000 since this judge was appointed. We have the approval of the Committee on the Judiciary of the House. This bill passed without opposition in the Senate. It has the endorsement of the bar associations of every single one of those States, and it has the unanimous endorsement of every Member of the House from those States. It seems to me under those circumstances, with the enormous rush of business which the ninth circuit district has, we are entitled to the extra judge.

This circuit between 1900 and 1929 disposed of more cases than any other circuit except the second, where there are now 6 judges, and the eighth, which was recently divided into 2 circuits, the new eighth circuit district with 6 judges, 1 retired, and the tenth, with 4 judges. So it seems to me that with the number of cases coming before the ninth circuit district, we certainly are entitled to this extra judge.

Mr. MILLARD. Mr. Speaker, will the gentlewoman yield?

Mrs. KAHN. I yield.

Mr. MILLARD. Does the distinguished gentlewoman from California know how far the calendar is behind?

Mrs. KAHN. No, I do not; but I do know that with the opening of the next session they will have about 300 cases to hear.

Mr. PIERCE. Mr. Speaker, will the gentlewoman yield?

Mrs. KAHN. I yield.

Mr. PIERCE. I wish to say just a word. I am from Oregon. I know there is great pressure in Oregon for the additional judge.

The statement made by the gentlewoman from California is true. There are now pending in the circuit courts there something like 300 cases. There is a great demand from the bar of Oregon for this additional judge.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, I believe the Members of the House will appreciate my own record with reference to new judgeships. I have opposed the creation of additional Federal judges wherever the work of the Federal court could be carried on with the present personnel.

In this instance a very strong case was made out for the need of this additional judge in the ninth circuit. As has been stated already, they have a great many cases, apparently, out in that country which require 3 judges. I assume they have 2 district judges and 1 judge from the Circuit Court of Appeals. This leaves only 2 judges to sit in the consideration of matters which come before that court. They are something like 100 cases behind now, I believe.

It was our opinion, after having given the matter consideration, that that court is being driven too hard. There is a point beyond which economy is not economy. I think with my friend the gentleman from Texas [Mr. BLANTON] that many of these Federal judges do not work as they ought to work; but the number of opinions being written by the judges in this circuit is greater than should be if the cases are to be well considered. We cannot afford to have these judges, who have the last word to say in most matters, without sufficient time properly to prepare their decisions.

Just one further statement. I wish to direct the attention of the gentleman from Texas [Mr. BLANTON] to the fact that before the passage of the act of 1925 when the obligatory jurisdiction of the Supreme Court was much greater than it is now, there was not the same urgent necessity that now obtains with reference to the Circuit Courts of Appeals. They now in this country are very largely the courts of last resort. I believe if the gentleman from Texas had opportunity to consider the situation in this circuit, he would not have interposed his objection. He does a great deal of good service in this House.

I hope the House will pass this bill.

Mr. BLANTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is no proper atmosphere in which to pass sane legislation. We are in the closing hours of Congress. We have matters up here of extreme importance. Our friend from Texas as Chairman of the great Judiciary Committee of this House has unusual powers. He comes in here on the floor from time to time and we grant him unanimous consent to do this and unanimous consent to do that.

We have been in session continuously since March 9 in the President's special session, which is now practically 4 months in length. If this bill were such an urgent matter, of such great public necessity, why has not my friend come in here during the past 3 months with this measure when we were not in such a turmoil, when we could think normally? And the fact that he has not done this, because he is an energetic man and a man of splendid attainments and good judgment and has the interests of the country at heart, especially the judiciary, because he is the Chairman of the Judiciary Committee, to my mind is the best argument against the urgent necessity of this bill.

I want to call your attention to something that ought to appeal to all of you. The President down here in the White House is sweating blood trying to get this country back to normalcy, so far as finances are concerned. He has been

trying to save the Government from bankruptcy. He has even been cutting the compensation of soldiers to do it.

In just a few days the Supreme Court is going to adjourn for 3 months; in just a few days every Federal circuit court in the United States is going to adjourn for 3 months; in a few days this particular circuit court out on the west coast is going to adjourn for 3 months. If you pass this bill, just as soon as this judge is confirmed by the Senate, the first thing he will do will be to hold up his hand and take the oath of office which puts him on the pay roll of the Government, drawing the salary of a Federal circuit judge, and for 3 months he will not do a lick of work.

Mr. TARVER. Will the gentleman yield?

Mr. BLANTON. Certainly, to the distinguished gentleman from Georgia.

Mr. TARVER. The statement was made a while ago by one of the speakers that the Judiciary Committee was unanimous in reporting this bill.

Mr. LEWIS of Colorado. No; I did not say unanimous.

Mr. TARVER. No; not the gentleman, but I said one of the speakers. Being a member of the Judiciary Committee I wish to correct that statement.

Mr. BLANTON. And the gentleman from Georgia is an excellent and able and efficient member of the committee.

Mr. TARVER. And I may say in regard to this bill that I did not vote in favor of a favorable report on it, and I may say to the gentleman there are efforts being made in various sections of the United States to create additional judgeships. The gentleman knows that lawyers are always in favor of creating additional judgeships.

Mr. BLANTON. There are always applicants for such positions even in Congress.

Mr. TARVER. One is being sought in my State and in my district in Georgia at this time, and has been for some years.

Mr. BLANTON. I know numerous lawyers right here on the floor now who would like to exchange their present position for a Federal judgeship.

Mr. TARVER. And if this bill is passed it will be the first of a regular barrage of bills to create Federal judgeships throughout the United States where they are now desired and where the Department of Justice has recommended they be established.

Mr. BLANTON. Why, certainly.

Our good colleague, with whom I have served here so long and whom I love dearly, the gentlewoman from California, mentioned the Federal judge down in my district. I want her to know that we have the best Federal judge in the United States in my district.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I yield myself 5 additional minutes.

The gentlewoman from California talked about the necessity for them to try 100 cases. The Federal judge of my district tries several hundred cases a year.

I want to ask the sane legislators here who believe in sane, orderly government, whether we ought to pass such a bill as this in the closing hours of Congress?

Mr. GILCHRIST. Will the gentleman yield?

Mr. BLANTON. In just a moment, if I have time.

I want to put this proposition up to the majority leader and the minority leader whether they think it is right and proper to burden the taxpayers at this particular time with an extra judge, who for 3 months will not do a bit of work, whose court for 3 months will not be in session, and I want them to remember that these Federal judges are the particular class of officials in the United States who do not subject themselves to the law that requires all the rest of us to pay income taxes to the Government. This judge will be one of the few in the United States who is immune from paying income taxes. He will draw all his salary and keep it all. Oh, it is all right for us to give up part of our salary for income taxes, it is all right for the soldiers to give up part of their compensation to help run the Government, but this will be one judge, one superman, who will not have to give up a cent to help carry on the expense of this Government, and for the next 3 months will draw a large salary and not do any work whatever, because it will be summer-vacation time for judges.

Mr. SISSON. Is it the position of the gentleman that since the repeal of the noble experiment is to be written into the statute books, there will be fewer cases in the Federal courts, both in Texas and in California?

Mr. BLANTON. I want you to get some speeches that were made by my distinguished colleague from Texas [Mr. SUMNERS], the Chairman of this great Judiciary Committee, which are in the RECORD, where he said it was almost a scandal when Congress created new judges who did not spend enough time on their benches and did not try enough cases.

He expressed the opinion, which made an impression on my mind, that the judges ought to do more work, and that we ought not to create new ones. If they did more work we would not have so much use for new judges.

Now, I want to put it up to you as a sane business proposition. Do you not think we can wait until we come back here in the regular session? Do you not think that is the proper thing to do?

Mr. TRAEGER. Is the gentleman asking me? If he is, I will answer the question.

Mr. BLANTON. Is the gentleman a lawyer?

Mr. TRAEGER. I am.

Mr. BLANTON. If he is——

Mr. TRAEGER. Will the gentleman yield?

Mr. BLANTON. For a brief question only.

Mr. TRAEGER. Did the gentleman hear the story that was told in the Senate yesterday, where the Negro wanted a part of everything or all of nothing?

Mr. BLANTON. I heard it here today, but I cannot yield for stories. I did not yield for that.

Mr. TRAEGER. I have spent more time in court than the gentleman has.

Mr. BLANTON. When the gentleman gets leave to ask a question and asks a civil question others will yield to him; but when he takes advantage of someone on the floor and asks him to yield and then asks an uncivil question, he will never get others to yield to him again. I want to suggest to him that it pays to be civil.

Mr. KENNEY. Will the gentleman yield for a civil question?

Mr. BLANTON. I will yield gladly to a civil gentleman.

Mr. KENNEY. If the Republican lady wants the appointment of a good Democratic judge, does not the gentleman think that we ought to give it to her?

Mr. BLANTON. I will answer my friend by telling him what the present Chairman of the Committee on the Judiciary said about political appointments for Federal judges when the Republicans were creating 24 new Federal judges just following the Wilson administration. He said in 1922:

> We must not be Democrats and Republicans when we face a question of this sort.
>
> I tell you that in a time like this, when there are grave questionings in the hearts of many of the people of this country with regard to the integrity of their officials, the honesty of governmental administration generally, we cannot afford to have the suspicion rest against the judge or against the position which he holds that his job was created for the sake of politics; because, gentlemen, if the facts justify the suspicion that the job has been created for political considerations, you cannot make the people believe that political consideration stopped short of filling the position. That is why you create the position—to put the man in it. When you go before the tax-burdened people this fall with these unnecesary judgeships, you may be able to help some individual Members of Congress who have gotten these judgeships for their respective districts and for their States, but you must face the people of the country as a whole, who are required to pay the taxes for their maintenance, and you must face the people of the country as a whole, who, I believe, do not favor and have virtue enough to resent "playing politics" with Federal judgeships.

Let me say to the gentleman that I was in the House at one session of Congress when there were 24 new Federal judges created by the Republicans soon after they came into power following the Wilson administration. That is too many new judges. It is easy to get a bill passed for a new judge. It is always easy to get a bill passed for

any new position, because there is always somebody seeking and ready to fill it. We ought to stop this spending of public money. We ought to take a sane view of this matter, and I think we ought to kill this bill.

Mr. Speaker, I reserve the balance of my time. I will yield 5 minutes to my colleague the gentleman from Texas [Mr. McFARLANE], who is always ready to speak against bad bills. [Laughter.]

Mr. McFARLANE. Mr. Speaker, I have listened as earnestly as I could, and I have not heard yet any substantial explanation given why we should create this new position. In line with the general economy program of the administration it seems to me that we ought not to do this unless clear and convincing proof has been shown that there is a real necessity for this additional expense.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. MOTT. Did the gentleman hear the lady from California state that since the last judge of that district was appointed the population of the district has increased from 3,000,000 to 10,000,000?

Mr. McFARLANE. I heard a statement to that effect.

Mr. MOTT. Does not the gentleman think that that is one good reason for the appointment of an additional judge?

Mr. McFARLANE. The things that I should like to know, and if the lady can give us that information, I think it would be illuminating, is how long these judges in that circuit actually serve on the bench and how many cases they dispose of; in other words, the condition of the docket, how much work has been turned out by them. I should like to have those statistics.

Mr. MOTT. It is my recollection that the gentlewoman from California gave that.

Mrs. KAHN. I have a telegram here which I just received from Judge Sawtelle, one of the judges of the district, that reads as follows:

SAN FRANCISCO, CALIF., *June 15, 1933.*

Hon. LAWRENCE LEWIS,
House of Representatives Office Building,
Washington, D.C.:

Re necessity fourth judge of Circuit Court of Appeals, Ninth Circuit. Number of cases submitted in 1933 to date, 150; number on Seattle and Portland calendars to be submitted in September, 30; number to be submitted in October at San Francisco, 125; number of 3-judge cases in 1933 to date, 6; number of petitions for appeal in bankruptcy matters, approximately 25. Twenty-two cases submitted last October, 23 submitted in February, and 45 submitted at the May term undecided. Opinion in these 90 cases should be prepared between this date and September. A number of them present very difficult problems. Last year we had two involved cases, each of which required 1 month of careful study. Absolutely necessary that we have four judges if work of the court is to be properly considered and disposed of. We had four judges for many years, when the work was only 50 percent of what it is now. When one of the judges is absent on 3-judge cases which involve constitutional questions and rates of public utilities, the work of the court is terribly handicapped.

WILLIAM H. SAWTELLE,
United States Circuit Judge.

That is signed by Judge Sawtelle of the circuit court. I have also a telegram from the three judges—Judge Sawtelle, Judge Wilbur, and Judge Gerracht—and a telegram from the State Bar Association of California.

Mr. McFARLANE. The gentlewoman has stated about the condition of the docket. Does she have any information there showing how many cases the judges have disposed of in this circuit, and how many cases were on the docket 2 years ago and a year ago, and how much work they have actually accomplished in the last year?

Mrs. KAHN. I have not the exact number of cases. I have here a tabulation of the cases disposed of in the ninth district. In 1932 there were 378 docketed and 322 disposed of by the court. In the 10 years ending 1928, 2,512 cases were docketed and 2,474 cases disposed of.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. WEIDEMAN. Does the lady suppose if she gets this new judgeship that the other three will donate the 15-percent cut in salary back to the Treasury?

Mrs. KAHN. The new Federal judge has to donate it, because he will be appointed after the law is passed.

Mr. WEIDEMAN. How about the old ones?

Mrs. KAHN. I do not control their pocketbooks.

Mr. BLANTON. Mr. Speaker, the lady from California probably does not know that if these judges get shorthanded they can have other judges from other districts where the business is not congested transferred there to help them.

I want to make a suggestion to my friend from Colorado [Mr. LEWIS]. It is admitted here that this court will not meet until September.

Mrs. KAHN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Certainly; in a moment. It is admitted that the court will not meet until September. If the gentleman from Colorado who made this motion will ask to amend the motion to suspend the rules and provide that the position be not filled until September 1, he would save the salary of this judge for that time, while he is doing no work.

Mrs. KAHN. Then it must go back to the Senate.

Mr. BLANTON. Will the gentleman do that?

Mr. LEWIS of Colorado. The gentleman well knows the bill has already passed the Senate.

Mr. BLANTON. Oh, that does not make any difference. They do not hesitate to hold up our bills over there. They do not hesitate to put amendments on our bills, some amendments 15 or 20 pages long, in the dying hours of Congress. They do with our bills just as they please over there. Why not amend it, when by doing so we will save money?

Mr. ZIONCHECK. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. ZIONCHECK. I know as a matter of personal information that Judge Sawtelle and Judge Wilbur worked during the whole summer on cases when they did not sit.

Mr. BLANTON. Could they do that during playtime out there in that fine west-coast climate?

Mr. ZIONCHECK. With refreshing grace.

Mr. BLANTON. I am one who cannot support the bill. I have registered my protest against the bill and I have done my duty. In this atmosphere during the closing hours of Congress you will likely pass this bill, but it should not pass.

Mr. DE PRIEST. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. DE PRIEST. Not being a lawyer, I should like to ask is it customary for judges during vacation time to read up briefs and become acquainted with the cases?

Mr. BLANTON. No. They are taking vacations.

On December 9, 1921, there was a blanket bill before this House to appoint 22 additional Federal judges. At that time their salary was only $7,500. Later their salary was raised to $10,000. The expense of that bill at that time was 22 judges at $7,500 each, aggregating $165,000. Then there were 22 secretaries and stenographers for these judges at $1,500 each, which made the further sum of $33,000. Then there were 22 court criers costing $13,200, making a total cost of $211,200 per annum for that bill.

I remember distinctly that our present Chairman of the Committee on the Judiciary [Mr. SUMNERS] took the floor against that bill. He stated that Chief Justice Taft had been before the committee and testified that "in some places there would be a judge who had but half of his time occupied." And he said that Chief Justice Taft made the further significant statement that "dockets are quite misleading in the number of cases they seem to show, as there was a lot of stuffing in the dockets, because many cases should be dismissed."

That bill was amended by the committee, so that it carried 24 new Federal judges, as follows:

The Clerk read as follows:

"For the district of Massachusetts, 2; for the eastern district of New York, 1; for the southern district of New York, 2; for the eastern district of Pennsylvania, 1; for the western district of Pennsylvania, 1; for the eastern district of Virginia, 1; for the northern district of Texas, 1; for the southern district of Florida, 1; for the eastern district of Michigan, 1; for the northern district of Ohio, 1; for the middle district of Tennessee, 1; for the northern district of Illinois, 1; for the eastern district

of Illinois, 1; for the district of Minnesota, 1; for the eastern district of Missouri, 1; for the western district of Missouri, 1; for the eastern district of Oklahoma, 1; for the district of Montana, 1; for the northern district of California, 1; for the southern district of California, 1; and for the district of Arizona, 1. Said judges shall be residents of the districts for which appointed and shall receive the same salary and allowances and shall possess, exercise, and perform the same jurisdiction, powers, and duties as is now provided by law."

Also the following committee amendment was read:

"Page 2, line 4, after the semicolon, strike out the words 'For the eastern district of Virginia, 1.'"

That was in December 1921, just after the Republicans had come back into power, and they were hungry for political appointments.

Again, on May 5, 1922, I heard my colleague from Texas [Mr. SUMNERS] take this floor and explain just how he and the committee were convinced that new Federal judges should be appointed, and I quote his exact language, for this is what he then said:

The Attorney General told us that we needed them. I am afraid we were just a bit flabbergasted, so we accepted; at least we were much persuaded by his judgment and a very promiscuous and imposing array of figures furnished.

And so today we are furnished with an array of figures. And we are told by various officials that this judge is needed.

And, Mr. Speaker, I remember distinctly the speech of my colleague from Texas [Mr. SUMNERS], now Chairman of the Judiciary Committee, when in this House on September 11, 1922, among other things he said:

I am referring now to the new judge for the State of New Mexico. The record shows that the judge now provided for the State of New Mexico—the judge already there during the fiscal year covered by the last report of the Attorney General—tried only 44 cases, criminal and civil together—44 cases only—and yet this administration is putting in a new judge there. Why? Politics! The rankest sort of politics. I hate to say that, but it is a palpable fact. Forty-four cases tried in one year, and we create a new judge for the district. Think of it, gentlemen. We had already added a new judge to each of the districts of California, a new judge to Arizona, 1 for the eastern district of Oklahoma, 1 for the northern district of Texas, and 1 for the district of Montana, absolutely surrounding the district of New Mexico with new judges and most considerably oversupplying that western territory. And now you are sending an additional judge to New Mexico. What for? Let us be honest about it. Is he needed in that district? No. Nobody can seriously contend that. I assume nobody here will contend that he is needed there. Is he needed in any of the territory from the Pacific Ocean straight through to the Atlantic, in any of the Western or Southern States? Nobody can contend that he will be needed there. He cannot be used anywhere without transporting him across the continent at Federal expense for transportation and $10 per day additional for each day that he is out of his district. Then why is this new judge provided for New Mexico, for a district where he is not needed and in a territory where he cannot be used? Simply, gentlemen, to help out the New Mexico delegation in Congress, or some member of that delegation, you are asked to contribute as a matter of politics this Federal judgeship with its added burden upon a tax-burdened people. I say with all respect, gentlemen, it is a disgrace to the American Congress. You cannot defend it, and you cannot afford to do it.

Thus spake our present distinguished Chairman of the Judiciary Committee in this House on September 11, 1922. But when the matter came to a vote I demanded the yeas and nays, and the bill was passed with 139 yeas and 78 nays.

I realize full well that it is impossible to stop this bill today. In this atmosphere sane legislation is impossible. Our minds are somewhere else. We are thinking of adjourning and going home. But I have done my duty in raising my protest against the passage of this bill. I cannot do more. I would stop this bill, if I had the power. It ought to be stopped. We do not need any more Federal judges. We have enough now. Let the ones we have do the work.

The SPEAKER. The time of the gentleman from Texas [Mr. BLANTON] has expired.

The question is on the motion to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were ayes 113 and noes 8.

So (two thirds having voted in favor thereof) the rules were suspended and the bill was passed.

TRANSPORTATION OF AGRICULTURAL PRODUCTS IN AMERICAN SHIPS

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H.J.Res. 207) requiring agricultural products to be shipped in vessels of the United States where the Reconstruction Finance Corporation finances the exporting of such products.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That it is the sense of Congress that in any loans made by the Reconstruction Finance Corporation to foster the exporting of agricultural products, provision shall be made that such products shall be carried exclusively in vessels of the United States, unless, as to any or all of such products, the United States Shipping Board, after investigation, shall certify to the Reconstruction Finance Corporation that vessels of the United States are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

Mr. McFADDEN. Mr. Speaker, I should like to ask the gentleman a question in regard to this bill.

This bill provides for the financing of the shipment of agricultural products in boats under American control. I should like to ask the gentleman, inasmuch as the Reconstruction Finance Corporation has just made a loan of $50,000,000 to ship agricultural products to China, whether or not they are also going to make a loan to Russia, to ship agricultural products in American ships to Russia. Can the gentleman tell me that?

Mr. BLAND. I cannot.

Mr. McFADDEN. Can the gentleman also tell me whether these shipments of cotton and wheat to China are going to be made in American boats?

Mr. BLAND. My understanding of the contract is that it specifically requires that at least 50 percent of the products be shipped in American-flag ships. As to the rest, there is a provision which allows the shipments to be made in vessels of other countries.

That question came before the Committee on Merchant Marine, Radio, and Fisheries, on a resolution introduced by the gentleman from California [Mr. DOCKWEILER]. We gave it consideration, but as the contract was a concluded contract, we felt it was wise not to interfere further than to adopt a committee resolution which we sent to the Reconstruction Finance Corporation expressing the wish of the committee that the Reconstruction Finance Corporation should use its agencies and powers to secure shipment in American bottoms.

Mr. McFADDEN. I am prompted to ask that because of the fact that the press for the last few days has been indicating that we are going to make large loans to Russia through the Reconstruction Finance Corporation. That is important for us to know about, because I am satisfied in my own mind that there is a movement on abroad to involve the United States with Russia and China against Japan. I am interested also for this further reason that at the economic conference in London there is a discussion going on in regard to making further loans to finance European countries.

I am wondering whether, inasmuch as the other evening we took off the limitation on which the Reconstruction Finance Corporation makes these loans, there is in the offing a plan to finance further shipments of goods abroad through loans from the Reconstruction Finance Corporation. That is particularly pertinent because of the fact that the foreigners cannot now pay what they owe us for what they have already purchased, and they are only paying us 10 cents on the dollar, and that in silver, upon which they make 20 or 30 cents per ounce.

Mr. BLAND. This bill does not undertake to finance shipments. All it requires is that if loans are made, the products purchased shall go in American ships.

Mr. McFADDEN. I should like to find out from someone who should know about it whether there is a program on to grant more loans through the Reconstruction Finance Corporation or through the Federal Reserve or some other institution to finance the foreigner, on the theory that it

is going to help the agricultural situation here. I want to know if we are going to use the Reconstruction Finance Corporation to make loans to cover sale and shipment of American goods abroad.

Mr. BLAND. I cannot give the gentleman that information.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. SNELL. By what authority do we make loans to any foreign government?

Mr. BLAND. I am not talking about foreign governments. This is not for the purpose of financing shipments.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. CONNERY. I am very much in favor of the bill. I wish the gentleman from Virginia would explain his own experience in reference to this matter, because I had many protests in Boston in reference to the plan when they were exchanging the wheat and cotton with Brazil for coffee. The Brazilians used Brazilian ships to bring the coffee up to this country and then the Brazilian ships carries the wheat and cotton back to Brazil. The American shippers protested. I hope the gentleman will give us the benefit of his reasons why this should be put into effect.

Mr. BLAND. The reason I think it should be put into effect is that in the contract with China we provided that only 50 percent should be carried in American bottoms. China has no merchant marine. I thought it would be a good time to have such a resolution passed. The resolution was introduced by Mr. MONTET, of Louisiana, and the members of the committee thought it would be an opportune time to express the sense of Congress that these shipments should go in American vessels.

Mr. CONNERY. Mr. Speaker, will the gentleman yield further?

Mr. BLAND. I yield.

Mr. CONNERY. Does the gentleman know of any other instances such as I have cited where foreign ships have carried American produce?

Mr. BLAND. None have come to my mind at the present time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BLAND, a motion to reconsider the vote by which the bill was passed was laid on the table.

SURVIVAL OF CERTAIN ACTIONS IN FAVOR OF THE UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I call up the bill (S. 815) to provide for the survival of certain actions in favor of the United States, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Mr. Speaker, let us have the bill reported first.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That no civil action to recover damages, brought by the United States or in its behalf, or in which the United States shall be directly or indirectly interested, and pending against any defendant prior to the time of his death, in any court of the United States, shall abate by reason of the death of any such defendant; but any such action shall survive and be enforceable against the estate of any such deceased defendant. This act shall not be construed to deprive the plaintiff in any such action of any remedy which he may have against a surviving defendant.

Mr. BLANTON. Mr. Speaker, reserving the right to object, to ask my colleague a question, how many such cases are there within the purview of the gentleman?

Mr. SUMNERS of Texas. Mr. Speaker, in reply to my colleague from Texas, and I think it is due the House, I shall make a very brief statement in reference to this bill.

This bill is intended merely to preserve the right of the United States to pursue under its judgment the estate of the person against whom the judgment is rendered and who since such rendition has died.

I may say to my colleague from Texas I must confess myself subject to criticism with reference to some of these items of legislation that are coming from the Committee on the Judiciary, but this particular matter reached the attention of the Committee on the 9th of this month. It was called to our attention by the Attorney General, and it has also been called to our attention by our representative who has been prosecuting a suit against Doheny.

Mr. BLANTON. Mr. Speaker, I withdraw my objection. If it will help the Government to prosecute Doheny that is a good and sufficient reason for passing the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SUMNERS of Texas, a motion to reconsider the vote by which the bill was passed was laid on the table.

SENATE JOINT RESOLUTION REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J.Res. 63. Joint resolution temporarily suspending section 18 and portions of section 2 of the executive order of June 10, 1933, relating to the organization of executive agencies; to the Committee on Expenditures in the Executive Departments.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3344. An act to amend section 14, subdivision 3, of the Federal Farm Loan Act;

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the Middle Tennessee Judicial District; and

H.R. 6034. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 5091. An act to amend section 289 of the Criminal Code; and

H.R. 5661. An act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 7, 10, 16, 30, 44, 45, and 46 to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, that the Senate insists upon its amendments numbered 11, 13, 14, 15, 17, 18, and 21 to the said bill; insists upon its amendment to the amendment of the House to the amendment of the Senate numbered 47 to the said bill, and agrees to the conference asked by the House; and appoints Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. HALE, and Mr. STEIWER to be the conferees on the part of the Senate.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess subject to the call of the Chair.

The SPEAKER. Thirty minutes' notice will be given by ringing the bells, and the House will not convene before 7 o'clock.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p.m.) the House stood in recess at the call of the Speaker.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12.36 a.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

CONFERENCE REPORT ON INDEPENDENT OFFICES APPROPRIATION BILL, 1934

Mr. WOODRUM presented the following conference report on the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14 and 15.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$319,230,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "$581,988,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "$602,838,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "$631,802,546"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to Senate amendment numbered 47, and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment to the amendment of the House to Senate amendment numbered 47, insert the following:

"SEC. 20. The President is hereby authorized under the provisions of Public Law No. 2, Seventy-third Congress, to establish such number of special boards (the majority of the members of which were not in the employ of the Veterans' Administration at the date of enactment of this act), as he may deem necessary to review all claims (where the veteran entered service prior to November 11, 1918, and whose disability is not the result of his own misconduct), in which presumptive service connection has heretofore been granted under the World War Veterans' Act, 1924, as amended, wherein payments were being made on March 20, 1933, and which are held not service-connected under the regulations issued pursuant to Public Law No. 2, Seventy-third Congress. Members of such boards may be appointed without regard to the Civil Service laws and regulations, and their compensation fixed without regard to the Classification Act of 1923, as amended. Such special boards shall determine, on all available evidence, the question whether service-connection shall be granted under the provisions of the regulations issued pursuant to Public Law No. 2, Seventy-third Congress (notwithstanding the evidence may not clearly demonstrate the existence of the disease or any specific clinical findings within the terms of or period prescribed by regulation 1, part 1, subparagraph (c) or instruction numbered 2, regulation numbered 1, issued under Public Law No. 2, Seventy-third Congress), and shall in their decisions resolve all reasonable doubts in favor of the veteran, the burden of proof in such cases being on the Government.

"Notwithstanding the provisions of section 17, title I, Public No. 2, Seventy-third Congress, any claim for yearly renewable term insurance on which premiums were paid to the date of death of the insured and any claim for pension, compensation allowance, or emergency officers' retirement pay under the provisions of laws repealed by said section 17 wherein claim was duly filed prior to March 20, 1933, may be adjudicated by the Veterans' Administration on the proofs and evidence received by the Veterans' Administration prior to March 20, 1933, and any person found entitled to the benefits claimed shall be paid such benefits in accordance with and in the amounts provided by such prior laws, provided that the payments hereby authorized to be made shall continue only to include June 30, 1933, and only one original adjudicatory action and one appeal may be had in such cases. Where a veteran died prior to March 20, 1933, under conditions which warrant the payment of, or reimbursement for, burial expenses, such payment or reimbursement may be made in accordance with the laws in effect prior to March 20, 1933, provided that claim for such payment or reimbursement must be filed within 3 months from the date of passage of this act.

"Notwithstanding the provisions of Public Law No. 2, Seventy-third Congress, the decisions of such special boards shall be final in such cases, subject to such appellate procedure as the President may prescribe, and, except for fraud, mistake, or misrepresentation, 75 percent of the payments being made on March 20, 1933, therein shall continue to October 31, 1933, or the date of special board decision, whichever is the earlier date: *Provided*, That where any case is pending before any one of the special boards on October 31, 1933, the President may provide for extending the time of payment until decision can be rendered. The President shall prescribe such rules governing reviews and hearings as may be deemed advisable. Payment of salaries and expenses of such boards and personnel assigned thereto shall be paid out of and in accordance with appropriations for the Veterans' Administration.

"Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, in no event shall the rates of compensation payable for directly service-connected disabilities to those veterans who entered the active military or naval service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, where they were except by fraud, mistake, or misrepresentation, in receipt of compensation on March 20, 1933, be reduced more than 25 percent, except in accordance with the regulations issued under Public Law No. 2, Seventy-third Congress, pertaining to Federal employees, hospitalized cases, and cases of beneficiaries residing outside of the continental limits of the United States; and in no event shall death compensation, except by fraud, mistake, or misrepresentation, being paid to widows, children, and dependent parents of deceased World War veterans under the World War Veterans' Act of 1924, as amended, on March 20, 1933, be reduced or discontinued, whether the death of the veteran on whose account compensation is being paid was directly or presumptively connected with service.

"Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, any veteran of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, who served 90 days or more, was honor-

ably discharged from the service, is 55 years of age or over, is 50 percent disabled, and in need as defined by the President, shall be paid a pension of not less than $15 per month."

And the Senate agree to the same.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,
Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
RICHARD B. RUSSELL,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The following amendments are in adjustment of totals: Nos. 17, 18, and 21.

On no. 11: Appropriates $319,230,000, instead of $231,730,000 as proposed by the House, and instead of $401,730,000 as proposed by the Senate, for pensions, gratuities, and allowances.

On no. 13: Retains the Senate provision authorizing the Attorney General to agree to judgments rendered pursuant to compromise in any suit pending on March 20, 1933, and on the date of the enactment of this act, brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly renewable term insurance.

On nos. 14 and 15: Strikes out the appropriation of $1,000,000 proposed by the Senate for hospital treatment for veterans, irrespective of service connection or ailment.

On no. 47, pertaining to pensions: Eliminates all previous action and inserts a new provision consisting of: First, the original amendment of the House to the amendment of the Senate numbered 47; and, second, a provision that, notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, any veteran of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, who served 90 days or more, was honorably discharged from the service, is 55 years of age or over, is 50 percent disabled, and in need as defined by the President, shall be paid a pension of not less than $15 per month.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,
Managers on the part of the House.

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill H.R. 5389 and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

On motion of Mr. WOODRUM, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

THE INDEPENDENT OFFICES APPROPRIATION BILL—EXTENSION OF REMARKS

Mr. CARPENTER of Kansas. Mr. Speaker, H.R. 5389, known as the "Independent offices appropriation bill" contains a number of appropriations, some of which I approve, and some of which I do not approve.

By reason of the economy bill, known as "Public No. 2", the appropriation for the veterans, in my judgment, is not sufficient, but in the final analysis will be the result of a compromise and the best that can be obtained at this time, and that part of the bill together with certain other necessary appropriations to operate and maintain the Government I do approve. However, there are certain other appropriations that are thrown into this bill that I do not approve, and if I had the opportunity to vote "yes" or "no"—that is, for or against them—my vote would be no—against these appropriations. The appropriations I would be opposed to would be the following appropriations: Appropriations to maintain Executive Mansion greenhouses.

The appropriation of $198,000 for the Arlington Memorial Bridge Commission.

$120,000 for the Board of Mediation.

$8,800 for the Commission of Fine Arts.

$96,650 for the George Rogers Clark Sesquicentennial Commission.

$10,000 for the Mount Rushmore National Memorial Commission.

$310,000 to the United States Shipping Board.

$48,500 to the International Institute of Agriculture at Rome, Italy.

$13,950 for the enforcement of the Black Bass Law.

There are quite a number of other appropriations provided in this bill, concerning which I am in some doubt, as to whether they are necessary and the reasonableness of the same, some of which are for the continuing of buildings that are already under construction, such as the Supreme Court Building, and other appropriations are for departments, the usefulness of which I am not advised.

It might be well to state, however, that this is the same bill that was passed by the last session of Congress and vetoed by President Hoover; the amount appropriated in that bill other than for veterans has been reduced by approximately 25 percent in this bill.

Mr. PATMAN. Mr. Speaker, under the so-called "Economy Act", or Public, No. 2, and the regulations issued pursuant thereto, the following classes of veterans and their dependents will be entirely eliminated from the pension roll July 1, 1933:

World War presumptive cases, including tuberculosis, mental trouble, cancer, etc	154,843
Dependents of World War veterans (the veterans dying of presumptive disabilities)	36,325
Spanish-American War veterans (some of these will receive $6 a month)	105,660
	296,833

HOUSE COMPROMISE PLAN

When the independent offices appropriation bill was before the House of Representatives, last Saturday, June 10, 1933, an amendment was adopted which would continue each of the 154,843 presumptive cases on the pension roll until October 31, 1933, or until a special board has decided that the case is nonservice connected. In order to prevent encouragement for delay of the cases on review, it was decided to discontinue payments on all of them October 31, 1931, with the understanding that all of them not proven to be nonservice connected after that date, when the board has passed on them, will receive retroactive pay to October 31, 1933.

Under this amendment the burden of proof is placed on the Government to show beyond a reasonable doubt that the case is not service connected; otherwise the veteran will continue to draw his compensation. It is not contemplated that the reviewing board will be restricted to the consideration of the evidence that would be required under

Public, No. 2, to service connect a case but will have no restrictions at all; it must find—the Government assuming the burden of proof—beyond a reasonable doubt that the presumptive disability was not incurred in or aggravated by military service. I do not know of stronger language that could be used to protect the presumptive cases.

Under the House compromise plan all the 36,325 widows and orphans of veterans of the World War were restored to the pension roll; they will not receive any reduction at all, but will continue to get what they received under the old law.

Under Public, No. 2, the President is powerless to reinstate the presumptives, veterans and widows, without legislation; Public, No. 2, will cause them to be stricken from the roll July 1, 1933. In order to save them this law must be passed.

The House compromise plan will allow all Spanish-American War veterans who are 55 years of age, substantially disabled and in need, to continue to draw a pension at the minimum rate of $15 a month.

STEIWER-CUTTING AMENDMENT

This amendment is practically the same as the House compromise plan except it provides that all Spanish-American War veterans and their widows shall remain on the pension roll and receive at least 75 percent of what they were receiving prior to March 20, 1933, the date of the enactment of Public, No. 2.

Summed up, the only material difference and practically the only difference between the House and Senate is on the Spanish-American War veterans and widows.

If the Steiwer-Cutting amendment is adopted, the presumptives, veterans and widows, will not be helped any more than they would be under the House compromise plan. We are told that the boards will not be sympathetic and will strike practically all the presumptive veterans from the roll. If the board is arbitrary and unsympathetic under the House plan, it will be no different under the Steiwer-Cutting plan. If these boards do not pass on these cases in the way Congress intends that they shall be passed on or reviewed, there will be another session of Congress in January, and I predict the injustices will be remedied at that time by Congress.

There is no difference between the two plans in regard to service-connected veterans of the World War or Spanish-American War, or the dependents of either; each plan provides that they shall not have their compensation or pensions reduced more than 25 percent.

The more Congress appropriates for non-service-connected veterans the more likely it is that service-connected cases will be required to take a big reduction. Service-connected cases should not be reduced a penny. I opposed reducing the non-service-connected veterans of either the World War or Spanish-American War more than 25 percent, but my opposition was futile.

NEEDS' CLAUSE

Let us see about the needs' clause that is so bitterly opposed. When the country needs man power to fight its wars it is the duty of every young man to offer his life on the field of battle for the cause of his country. When that young man gets older and needs his country—many people insist that the question of need should come in—it is the duty of the country to come to the aid and rescue of its former defender. I realize it is possibly damaging to the cause of all veterans for a few wealthy veterans to draw pensions from the Government for non-service-connected disabilities.

PURGE PENSION ROLLS

It is in the interest of all veterans that the pension rolls be purged of all unmeritorious and undeserving cases. Such corrections will be beneficial to all veterans in the long run. The Government should not require a pauper's oath, but is it unreasonable to require a veteran during this emergency to show need—that is, annual income under a certain amount—in order to get a pension for a non-service-connected disability? I would not willingly require under any circumstances need to be shown for a service-connected disability. If the Government requires a single veteran to state that his annual income is less than $1,000, or a married veteran to state his annual income is less than $2,500, or any other reasonable sum, before granting a pension, is not by any stretch of the imagination requiring a pauper's oath.

BETTER TO GET LITTLE OF SOMETHING THAN A LOT OF NOTHING

Although, under the House plan, the Spanish-American War veterans are not taken care of in the way that we would like for them to be taken care of, shall we jeopardize the chances of 154,843 presumptive cases and the 36,325 widows and orphans to get back on the pension roll July 1, 1934, in order to make a determined effort to get the whole loaf? We will have a chance to increase the pensions of the Spanish-American War veterans at the next session of Congress. I will be in favor of the increase. The Spanish-American War veterans that are affected so materially by the House plan are the ones that have disabilities under 100 percent or partial disabilities that were not caused by their military service. They will continue to draw a pension of $15 a month or more.

The World War veterans who are less than 100 percent disabled will not receive a penny, hereafter, under present laws, for disabilities not caused by their military service. I realize that the question of age should be considered, but a World War veteran that is 99 percent disabled is just as much incapacitated and just as much in need of Government help as the veteran of any other war, regardless of age.

REFERENCE TO INFORMATION

In my speech of June 10, 1933, I fully discussed the different plans pending before Congress; it will be found on pages 5659 to 5663 of the CONGRESSIONAL RECORD.

WHAT IS BEST FOR VETERANS

Considering all circumstances, I believe that the cause of the veterans will be better served and the country helped the most by the adoption of the House compromise plan instead of the Steiwer-Cutting amendment. I make that statement for this reason:

The President has told us that he will veto the bill if it contains the Steiwer-Cutting amendment; we will possibly lose any chance of passing another bill at this session and the presumptive World War veterans and widows will be stricken off July 1 if this bill is not passed before that time. Considering the fact the national industries bill, which is supposed to give millions employment, has just passed, the farmers and home owners are expecting a sigh of relief from home and farm mortgages which are bearing a high rate of interest, the farmers also expecting material assistance from other legislation intended to aid them, which will also help the whole country, all contingent upon the success of the present administration, do you think it is a good time to put the veterans in a position of disrupting the whole recovery program? Do not you think it will be much better to take the substantial assistance for the veterans that we know we can get rather than place the veterans in a position before the country that will possibly set their just cause back at least 10 years?

RECOVERED HALF THE GROUND

The Economy Act deprives the World War and Spanish-American War veterans and their dependents of approximately $300,000,000 in compensation and pensions. There were other savings on hospitalization, administration, and for other purposes but approximately $300,000,000 reduction on the classes mentioned. Do you not think $150,000,000 which we are getting restored is substantial? Do you not think it is a long step back in the direction we were prior to March 20, 1933? We cannot expect to recover all the lost ground in one session of Congress. All legislation is a result of compromise. We must give and take. If each of the 435 Members of the House holds out for what he wants we would never have an agreement. Neither side is thoroughly satisfied with a fair compromise.

I sincerely believe it is in the interest of all veterans and the country that the House compromise plan be accepted.

Mr. TABER. Mr. Speaker, amendment no. 13 in the independent offices appropriation bill provides authority to the

Attorney General to compromise pending suits on war-risk insurance and Government insurance claims. There are at this time pending against the Government 11,837 cases; 1,535 have been disposed of since January 1, in 5 months. Of these, 700 were dismissed; approximately 556 were tried, with verdicts for the Government.

The expense from a salary standpoint of trying these cases was approximately $271 per case. The cases are very largely brought by lawyers in South Carolina, Tennessee, and midwestern lawyers, each lawyer having on hand a large number of cases. Some of them are handling as high as 1,200 insurance cases. Some of the lawyers have been paid out of this proposition as high as $59,000, others close to it.

It does not sound reasonable that all these cases would be turned over to these lawyers without solicitation. It does not sound reasonable that this amendment would have been put into the bill at the sole request of the lawyers who are prosecuting the cases without the consultation and advice of the Veterans' Bureau and the Attorney General's Office.

I have been advised by Mr. Roberts, the counsel of the Veterans' Bureau, that the Bureau did not ask for this provision. I have been informed by Attorney General Cummings personally that he did not favor it, did not want it, and felt that the claimants were entitled to the whole amount or nothing and that the Government was satisfactorily cleaning them up; that the Attorney General's Office was accustomed to recommend to the Veterans' Bureau the payment of a claim if the evidence on hand before the trial indicated that the Government was really liable.

Having all this in mind, I can see no good purpose at the instances of the lawyers for the claimants against the Government to change the law. It savors too much of a racket to me. I hope the House will refuse to put in this amendment.

Mr. LUDLOW. Mr. Speaker, I welcome the opportunity to vote for the Steiwer-Cutting amendment because I believe it is a measure of essential justice both to the taxpayers and the veterans of this country.

I have the highest admiration and regard for President Roosevelt, but that does not mean that he does my thinking for me. I do my own thinking. I have been a consistent follower and supporter of the President in most instances and I expect to continue to be, but that is because I believe he is everlastingly right in most instances. I think his general program has been most courageous and admirable and that it will put the country on its feet, but I cannot agree with him in respect to the Steiwer-Cutting amendment.

The Steiwer-Cutting amendment makes effective the President's excellent intentions in regard to pension reforms, as we understood those intentions when we passed the Economy Act, and at the same time it irons out some of the most grievous wrongs inflicted by the regulations that were adopted by subordinate officials for the administration of that act.

No right-thinking person can doubt that abuses have grown up in the pension system that should be eliminated. I am in favor of wiping out those abuses and have so voted consistently. In securing the passage of the Economy Act, which I supported, the President undertook to eliminate those abuses. His attention has been so engrossed in formulating and promoting his program for economic rehabilitation at home and world peace that he necessarily has had to leave the drafting of the pension regulations to trusted advisers. In my opinion, they turned out to be bad advisers.

Senator CLARK, of Missouri, a staunch supporter of the administration and a World War veteran, and son of the late Speaker Champ Clark, well said in his speech on the Steiwer-Cutting amendment yesterday:

> Under the powers conferred in the Economy Act, the administrative officials of the Veterans Administration and of the Bureau of the Budget have made regulations which contain instance after instance of what is generally recognized on all sides as constituting most execrable cruelty.

And that is the truth. Execrable cruelty! Should we be "execrably cruel" to men who were maimed and disabled in fighting the battles of their country? The President is kind and humane and he does not realize the effect of these regulations.

If the President could read the correspondence that comes to my office revealing the injustices inflicted on battle-maimed veterans by those regulations, I think he, too, would support the Steiwer-Cutting amendment. When a veteran's lungs were pierced by machine-gun bullets or his eyes were torn out by shrapnel or the seeds of insanity or tuberculosis were planted in his system as the result of war, he became at that very moment a ward of this Nation, and any capitalist, any holder of property, who is not willing to share his last dollar with that unfortunate ought to be ashamed of himself. That constructive work could well be done in the direction of revising the pension rolls every honest person will admit. The rolls should be purged of those whose claims have no merit. But those who went through the hell of war and in that conflict received injuries that have permanently maimed and disabled them and have wrecked their whole lives should be treated with kind consideration.

The Steiwer-Cutting amendment is a fair, honest settlement of the pension problem—fair to the taxpayers because it results in enormous savings to the Federal Treasury and fair to the veterans because it protects them from the grave injustices of the economy regulations. I am equally concerned that justice shall be done to the American taxpayer and the American soldier, and I am convinced that this measure is just to both. The Steiwer-Cutting amendment is not a raid on the Treasury. It is just the opposite. According to estimates the Economy Act with the Steiwer-Cutting amendment will save the taxpayers of the United States the enormous sum of $312,000,000 a year by reducing the Nation's pension bill to that extent. Surely no one can call that a Treasury raid.

It adds only $30,000,000 a year to the expenditures carried by the compromise that was approved by the President and adopted by the House recently. We are spending 110 times that amount on a vast public-works program, 33 times that amount in a Muscle Shoals-Tennessee "paradise" development, and goodness knows how many times that amount in a reforestation experiment. My own thought is that we could well afford to divert some of the reforestation funds to do justice to needy disabled veterans who received their disabilities fighting for their country.

Mr. Speaker, I have been both shocked and amazed by the number and extent of the injustices against combat-disabled war veterans that have been inflicted under the regulations adopted for the enforcement of the Economy Act.

No one who would consult the files of my office and read the great volume of mail that comes to me from disabled veterans could reach any other conclusion than that the Economy Act regulations reek with injustices.

Soldiers maimed in battle, pitiful wrecks of humanity, unable because of injuries received in war to earn any kind of living, find themselves cut off with a mere pittance.

"On July 1", says one, "I will go to a soldiers' home and my wife will go to the poorhouse."

I have faith in President Roosevelt and believe he wants to be fair and humane, but whoever wrote those regulations for him is entitled to a medal for heartlessness.

This is not a wild statement based on the mere assertions of disabled veterans who consider themselves aggrieved. In instance after instance my secretary and I have checked the assertions in the letters against the records of the War Department and the Veterans' Administration and against the files in our office, and we find that the charges of injustice are shockingly true.

Therefore I am going to do what I believe to be the just and right thing to do. I am going to give my vote and my efforts toward wiping out the wrongs that have been imposed on sick and disabled service-connected veterans.

A NEW ECONOMY PROGRAM

The cry has been raised that this would cause an increase of taxes. It would not raise taxes one cent. I have a new economy program under which disabled veterans would re-

ceive just and humane treatment and at the same time debt and taxes would be enormously reduced. My plan would be:

First. Repeal the law to establish a "paradise" in Tennessee, known as the "Muscle Shoals bill."

Second. Withdraw the bill which proposes to spend $3,300,000,000 on public works and which places upon the taxpayers an annual carrying charge of $220,000,000, or $50,000,000 more per annum than is necessary to give the service-connected soldiers their dues.

These two bills can wait. In my judgment, regardless of any reference to justice for the soldiers, these two bills should never become effective on economic grounds. In my judgment, they are economically unsound and will only make matters worse by involving the country in a welter of debt beyond the imagination of man.

When the Muscle Shoals bill was before the House, it was stated—and no one challenged the statement—that it would cost the taxpayers $1,000,000,000. The public-works bill carries an appropriation of $3,300,000,000. By repealing the Muscle Shoals law, which has not yet gone into effect, and by withdrawing the public works bill, which has passed the House, but is still before the Senate, we can save the taxpayers of this Nation a debt of $4,300,000,000, an annual carrying charge of about $300,000,000, compared with which the relatively small sum per annum required to do justice to the defenders of the Union who suffer from disabilities due to war service pales into utter insignificance.

As the first step in this program, which I believe to be right and just and in the interest of economy, I introduced a bill to repeal the Muscle Shoals Tennessee Development Act. Before we go into an enterprise that seems like an Elysian dream let us keep our feet on the ground and let us see that justice is done to the soldiers who are suffering incurable injuries received on the battle fronts.

We can and should effect great economies in the administration of veterans' relief, but in all conscience we should do this without taking it out of the backs of the combat-disabled soldiers.

BEYOND FINITE UNDERSTANDING

If the man who wrote the regulations for the enforcement of the Economy Act had been hostile to the veterans; if he had been moved by a spirit of animosity instead of by the love we ought to bear toward the defenders of our country, their widows, and dependents, we might have expected something like the regulations that have been promulgated, but coming from a source that is supposed to recognize the Nation's debt to the soldiers who freely offered their lives to save America and to save civilization, and in so doing received broken bodies and contracted incurable disabilities, these regulations are beyond finite understanding.

I voted for the Economy Act, but I did not vote for these regulations. No, indeed.

My vote was cast for the Economy Act after I had received the most positive assurance that it would be administered under just regulations, and although I want to be fair to everybody connected with the administration of the act, I cannot entirely escape a disagreeable feeling that my trust and confidence have been abused.

What happened? After Congress had voted this blanket authority to revise the pension rolls in the interest, as they thought, of justice, someone to whom the task was delegated apparently slashed pensions without rhyme or reason, perpetrating the grossest injustices on a great many veterans who do not deserve such treatment. This slashing process, with its potpourri of injustices, was revealed when the new regulations were made public and the Veterans' Bureau offices began to function in the task of cutting pensions.

Nothing is finally settled until it is settled right, and this question will be settled right before it is settled at all. The Economy Act was conceived for the laudable purpose of wiping out wrongs against the taxpayers arising from the presence of undeserving persons on the pension rolls, but these regulations merely shift the scenery and relocate the wrong by placing it on veterans whose bodies are racked with service-connected disabilities. One wrong cannot be cured by the commission of another. These regulations are crying to heaven for revision, and they will be revised. Make no mistake about that. They are shot all through with unfairness and injustice, and the American people, who want liberal and humane consideration to rule in dealing with veterans with service-connected disabilities, will never permit these regulations to stand unamended.

I do not know who wrote these regulations, and I hope I never shall know. If I knew him, I would be tempted to repeat to him a remark made to me recently with a touch of humor by a veteran, who said: "I do not know who wrote the regulations, but I do know that he has a heart as big as a chigger." If he is the man I think he is, that castigation does him a serious injustice. I think some superior officer probably said to him: "We ought to save $400,000,000 a year by revising the allowances to veterans"; and, being very efficient, he undertook to make a good job of it and without due thought and consideration cut too deeply.

WHAT IS THE RIGHTEOUS SOLUTION?

Now, what is the righteousness of this problem of soldiers' compensation? What is the justice of it? Let us as Members of Congress get down to brass tacks and seek to analyze the evils that have grown up under the veterans' laws and to apply the remedy, without doing injustice to anyone.

That evils have developed which are an unjustifiable burden on the taxpayers no one will deny. Many comparatively young men with questionable disabilities, and with no disabilities at all of service origin, have managed to get their names engrafted on the pension rolls. They ought not to be there. Many officers of the World War, drawing officers' retired pay, are on the Government's salary rolls and are receiving large salaries in addition to their retired pay. That ought not to be. It was to wipe out these injustices and to save the Nation from financial chaos and ruin by correcting such conditions as this that most of us voted for the Economy Act. We did not dream that regulations would be adopted ripping into service-connected cases and reducing to the very depths of penury and want soldiers of the Republic who certainly earned the right to better treatment when they received permanent combat injuries in fighting for their country.

WARDS OF THE NATION

That constructive work could well be done in the direction of revising the pension rolls every honest person will admit. The rolls should be purged of those whose claims have no merit. But those who went through the horrors of war and in that conflict received injuries that have permanently maimed and disabled them and have wrecked their whole lives should be treated with kind consideration.

SAFE AND SANE LEADERSHIP

I represent a district in which there is a very large population of veterans of all wars. The national headquarters of the American Legion is located in my district and at this point I should like to digress to pay a compliment to the men who represent the Legion in its matters before Congress, outstanding among whom are National Commander Louis A. Johnson, Capt. Watson B. Miller, John Thomas Taylor, and Edward Lewis. While they ably represent their group, they are sanely constructive and, recognizing the extreme need of economy in the public-welfare equation, they are always ready to yield to any reasonable compromise. Their attitude, in short, is very fine. We have there in the heart of the city of Indianapolis a most imposing memorial to the 4,000,000 Americans who in one vast uprising of patriotism went forth a decade and a half ago to give up their lives, if necessary, that civilization might not perish from the earth.

Many of them returned with shattered minds and broken bodies, never again to know what it means to be free from distress and pain, and many of these service-disabled men now find that the financial relief around which they have ordered their lives and on which they depend and to which they have looked forward expectantly for some measure of freedom from suffering, has been cut to almost nothing by the harsh regulations promulgated under the Economy Act.

ENORMOUS MAIL FURNISHES EVIDENCE

Any person who would read the enormous mail that comes to my office day by day would need no more graphic evidence to convince him of the injustice of those regulations than the letters that are constantly pouring in. Day after day the mails bring to me specific instances of glaring wrongs that would be inflicted by these regulations on soldiers with combat disabilities. I shall not burden the record with a large number of citations from this voluminous correspondence but shall set forth a few examples showing how the regulations are operating. An Indianapolis veteran writes:

I received from the Veterans' Administration this week a notice informing me that my pension of $90 a month has been reduced to $34 a month. For a man as badly injured as I am, my arm torn off at the socket, all of the ribs on my side crushed, and a piece of my scalp torn off, which injuries were received in the line of duty, to be cut from $90 to $34 is more than I can see.

Can anyone else, looking at this man's case through the spectacles of justice, see it, either? He adds:

I have not only myself to keep but also have an old mother to support. How that is to be done I don't know.

Nor does anyone else know, unless it be the good God above us.

Another Indianapolis veteran finds his compensation of $20 a month cut off by the regulations. He writes:

Mr. LUDLOW, I could see why that Disability Allowance Act should have been killed, but why a man who is a plain service-connected case, and all records of his case proven, should be cut off I cannot see. If other service-connected cases have been treated like I have been, God pity them.

Another veteran, also of Indianapolis, writes:

Knowing you to be a friend of the ex-service man I am appealing to you in regard to my compensation. I have received a letter notifying me my compensation was cut off. I was wounded twice while in service and my arm is crippled. Every examination shows my wound to be permanent partial disability. I have not had any work for the past 2 years, and taking my compensation away from me means to throw me on charity.

One veteran of my district who has been drawing $50 a month for service-connected pulmonary tuberculosis finds himself reduced to $8 a month, and in a note of despair he writes:

I believe that a cut of 87 percent is not fair to me, and that any amount the Government has paid has not been too much for what I have suffered and no doubt will continue to suffer the rest of my life.

Says another Indianapolis veteran:

Letter under date of May 23 from the Veterans' Administration cuts off my compensation in its entirety. I have been drawing $62.70 per month since September 8, 1930, and compensation in various amounts since date of discharge, and all the records show service-connected disability and hospitalization.

Arthur G. Gresham, a prominent and highly respected Indianapolis veteran, former State commander of the Veterans of Foreign Wars, writes:

Each day I receive a large number of letters from service men all over the State demanding restoration of compensation of all service-connected cases. These veterans interpret service-connected as any case that has been established under the old law which provides that if a veteran can connect his disability with the service by furnishing substantial medical evidence his case is service-connected. The provision in the regulations issued by the President which states that disability must have been incurred before November 11, 1918, is an injustice and most unfair.

Again I ask for the restoration of all established service-connected cases and for action at once. I ask that you do your part to prevent Congress from adjourning until justice has been done.

Ollie A. Davis, Adjutant of the American Legion, Department of Indiana, sends me some striking examples of the operation of the regulations in Indiana. He says:

We believe that our Representatives should know exactly what is being done toward World War veterans by this new economy bill, and for your information and records I am submitting herewith the results of this new economy program.

On 1,131 claims that have been reviewed in Indianapolis Veterans' Administration office, 362 awards have been discontinued; 303 will receive $8 per month; 181 will receive $20 per month; 82 will receive $40 per month; 42 will receive $60 per month; 21 will receive $80 per month; and the most drastic cut is 76 who were drawing permanent and total of $100 per month have been reduced to $20 per month, which makes a total of over $22,500 that has been cut from 1,131 awards or 65 percent.

I made a personal investigation of four different cases that were rerated under the new schedule which I think that you, as Representatives, should know, and I want to take the time to explain these four different cases, which I am sure you will agree is too much of a cut on these cases.

1. A veteran was drawing $51 per month for gunshot wounds, left shoulder, left side, and left thigh; and as result of operation on his left shoulder to remove shrapnel, the nerve was affected so that he lost his grip in the left hand, and the new law only allows $8 per month for loss of grip on this award, and no other benefits are obtainable.

2. A veteran suffered complete loss of creative organs, muscle involvements in thigh, and limitations left ankle, all results of gunshot wounds in combat. He had been rated permanent total since day of battle and drew $125 per month under the old law. Under the new law he will draw $40 per month.

3. A veteran served on the Mexican border in 1916, was treated for intestinal trouble and constipation, was discharged February 1917. He reenlisted in the World War in 1917, serving in battles in France. He had a severe aggravated condition, formerly rated total, colitis, severe. He was drawing $100 per month under the old law and is now rated disability not due to service and receives no award.

4. A veteran had active pulmonary tuberculosis at time of discharge. After serving overseas, and after returning to the States, for 18 months he was in a tuberculosis hospital or in the far West climate for his condition. The condition became arrested, he was drawing $50 per month and is now rated no percent disabled.

These are only four out of many that are being reduced under the new law and we leave this up to you to decide whether or not the ex-service man of the World War is receiving justice under this Economy Act. We sincerely hope you will support the veteran and not reduce his compensation any more than the cuts taken by yourself or all Government employees, which is 15 percent.

The files of my office are bursting with letters like the above, all telling of the feeling that has been aroused among World War veterans with bona-fide service-connected cases.

SPANISH WAR VETERANS ALSO ILL-TREATED

And now I want to say a word in behalf of Spanish War veterans, who, I think, also are ill-treated by the regulations which cut them off the rolls entirely in event of their inability to establish service connection. It has been more than 30 years since the close of the War with Spain. Many of the participants in that struggle are dead. The records of that time were very imperfect. How in the name of common sense can Spanish War soldiers be expected at this late date to secure evidence to establish the service origin of their disabilities? And if they are deprived of their pensions how can they, at the average age of 60, secure employment when the management of every concern in the country frowns on the acceptance of men over 45 for employment?

A physician of Miami, Fla., himself a Spanish War veteran, writes to me as follows:

In a recent circular sent out by Mr. Bryson, manager of the Veterans' Administration facility, St. Petersburg, Fla., to all medical examiners, he states that we are advised by the central office that only a few Spanish-American War veterans have actual service-connected disabilities. The result is that we are condemned before we are even tried.

This week several men have shown me letters from the Veterans' Bureau reducing their compensation from $60 to $20 per month. I have examined these men several times. I know that their disabilities are service connected, and I am writing to you to ask your assistance in restoring to them what they should have. Several of these men have no income at all except their pensions. They are worried to death because they and their families are going to become a charge on the city of Miami. Several have died recently, caused by the worry of such a condition. I have heard of several committing suicide in other parts of Florida. On account of the climate there is probably a larger percentage of such veterans in Florida than in any other State. Hundreds of thousands of dollars will have to be provided by the communities of Florida to take care of these people. Not only did the United States Government do this before, as they should, but the pension money was all spent here in Florida.

We have many Spanish-American War veterans here from Indiana who have moved here on account of their disabilities as well as their inability to keep warm without the use of coal. I am hoping your sympathy will extend to all the Hoosiers, even if they are compelled to live down here on account of their health.

I consider the conditions here as serious. Any help you may be able to give to relieve this condition will be greatly appreciated by all the veterans of the Spanish-American War and the Philippine insurrection of this State.

From Indianapolis I received many telegrams pointing to the Connally amendment as a measure of justice to the Spanish War soldiers. I shall not quote all of them but

will set forth a message from Frank G. Mathusack, of 410 North Dorman Street, Indianapolis, as a sample of all. Mr. Mathusack, who served his country with great credit in the War with Spain and later in the Philippines, wired as follows:

I hope you will vote for the Connally amendment to the independent offices appropriation bill as it refers to Spanish War veterans who cannot show service disability after 35 years.

I shall quote only one more telegram from the Spanish War group, showing their viewpoint. It is from William J. Otjen, commander in chief of the Spanish War veterans, and is as follows:

As commander in chief of the United Spanish War Veterans, I am urging you to give your support to the Connally amendment to the independent offices appropriation bill which limits the reduction of pensions to Spanish War veterans to not more than 25 percent. While I feel this is a most drastic cut, the fact remains that by the adoption of the amendment thousands of Spanish War veterans will be able to live without the necessity of applying to local charity organizations, which would be the case after July 1, if present regulations are put into effect. As President Roosevelt stated in his regulation no. 12, veterans of the Spanish War are severely handicapped, in fact almost debarred from proving service connection 35 years after their muster out of service, and we feel that the Connally amendment meets the existing problem in an acceptable manner to both the veterans and the taxpayers.

I believe our Indianapolis Spanish War friends and Commander Otjen who wired to me were absolutely right. I indorse the reasonableness of their attitude and I was glad to have the opportunity to show my sympathy for their position by supporting the Connally amendment.

The Connally amendment was not "in the picture", however, and in its place came the Steiwer-Cutting amendment which is now before the House and which gives to Spanish War Veterans the justice that is denied to them by the regulations.

LETTER TO PRESIDENT

I did everything that was humanly possible for a Member of Congress to do to urge the adoption of regulations that would be fair to the soldiers of all wars and at the same time fair to the taxpayers of the United States who have to bear the burden of veterans' legislation. On March 15, in behalf of the Spanish War veterans, I sent the following letter to President Roosevelt:

MARCH 15, 1933.

DEAR MR. PRESIDENT: In a spirit of cooperation and with a desire to be helpful if possible in connection with the administration of the new Economy Act, please permit me to say a few words in reference to the Spanish War veterans and to point out what I believe to be their exceptional status under the new act which by the time this reaches you probably will be a finished piece of legislation.

During the fiscal year 1933 the direct benefits paid to the veterans of all wars in which the United States has engaged will be $799,200,000. Segregating the various items we find that of the above amount the direct benefits paid to Spanish War veterans will be $116,400,000. Of this item of $116,400,000 it is estimated that only about $60,000,000 will be the sum paid to Spanish War veterans with non-service-connected disabilities, a relatively small amount compared with $799,200,000, the total paid in veterans' benefits.

I am writing to express the hope that non-service-connected Spanish War veterans will not be cut off of the rolls for the following reasons:

1. Their average age is now 60 years, and if they lose the support the Government has long given to them and upon which they have learned to order their lives, they will be unable on account of age to obtain employment to sustain themselves and their dependents.

2. There has been such a lapse of time since the war with Spain that it would be manifestly impossible for a great majority of the veterans of that war at this late date to obtain the necessary evidence to establish service-connection.

If it is felt some action must be taken in regard to the pensions of Spanish War veterans, I would respectfully suggest that instead of removing them from the rolls entirely the ends of justice might be served with due regard for the needs of the Treasury by making a cut of, say, 15 percent in the pensions of that particular group to conform with the pay cut of Federal employees.

I understand that under the new Economy Act your powers are very flexible and that you could consider age as a factor in extending special recognition to the Spanish War veterans. I hope you may see your way clear to do this. In these modern times a man at the age of 60 usually finds the doors of opportunity closed and employment beyond his reach.

I am sure, Mr. President, that you will administer the new Economy Act humanely and the thoughts I have herein expressed no doubt already have occurred to you. I know you will pardon me for reminding you of them, and I thank you for the just consideration I am certain you will give to the soldiers of the War with Spain.

Very sincerely yours,

LOUIS LUDLOW.

Two days later, on March 17, I received the following letter from Col. Louis Howe, the President's secretary:

MY DEAR MR. LUDLOW: Your letter of March 15 to the President has been received. He deeply appreciates the spirit of cooperation and helpfulness in which you have written. You may be sure that all of these veterans' matters will have his most sympathetic and careful consideration.

Sincerely yours,

LOUIS MCH. HOWE.

Soon after the Economy Act passed I called twice on Gen. Frank T. Hines, Administrator of Veterans' Affairs, and, accompanied by W. M. Louden, a distinguished Spanish War veteran of Indianapolis, I went to see Mr. J. O'Connor Roberts, Solicitor of the Veterans' Administration, the purpose of these visits being to impress upon the authorities the need of exercising great care in framing the regulations to see that reductions were made justly and equitably.

FAITH IN ROOSEVELT

I wish to repeat—and this expression of confidence comes from the heart—that I have the utmost faith in President Roosevelt, whom I believe to be both just and humane, and I think that when he finds that the hardships and injustices inflicted by the Economy Act regulations are so numerous, so real, and so cruel, he himself will move to bring about further amendments that will take away the sting. My own thought is that an amendment to the regulations that would limit the reduction of Spanish War pensions and service-connected World War cases to a 15-percent cut, which is the same cut that has been applied to the salaries of all Government employees, would just about meet the situation and serve the ends of justice. Modified in that way the regulations would still result in a large saving of the taxpayers' money without any real cause for complaint from any quarter.

There is one rule, and only one, by which this question of pensions should be decided, and that is the rule of right. We should strike off the rolls the names of all who do not deserve to be there, but we should be equally solicitous to do the right thing on the other side of the equation and should keep on the rolls all the veterans who deserve to be there, and pay them fair and liberal rates. A just nation can do no less than that. There must be a revision of the pension administration in the interest of a more equitable distribution of benefits and also in the interest of the taxpayers, who have to foot the bills. Some veterans are receiving large allowances for small disabilities, others are receiving no allowances for large disabilities. The whole pension system at present is a hodge-podge of inconsistencies and is excessively costly to the taxpayers. President Roosevelt is right in taking the lead for a reformation of the system. The fault is with his subordinates who prepared the regulations. The fairest proposition before Congress in the interest of the veterans of all the wars and the public that wants to see the veterans treated with fairness is the Steiwer-Cutting amendment, which will save the taxpayers $312,000,000 a year, and I am glad to keep my pledge of fair treatment to the veterans by voting for the Steiwer-Cutting amendment.

Mr. LOZIER. Mr. Speaker, Public, No. 2, known as the "Economy Act", was passed in a period of national peril, and seemingly at a time agriculture, transportation, industry, business, and all other vocations were drifting rapidly to disaster. Conditions were more serious than at any time in our national history—in fact, much more grave than those which confronted us during the World War period. The National Treasury was bankrupt, States were bankrupt, cities were bankrupt, and practically every occupation was in financial distress and about to be broken on the rock of insolvency. We were facing economic chaos and on the verge of a bottomless abyss.

Under these conditions the President called on the American people to meet the emergency and save the Nation from bankruptcy by granting him plenary powers to regulate and reduce expenditures of the Government of every kind and character. In his historic message of March 10, 1933, which struck fire from flint and awakened all Americans to a frenzy of patriotism and self-sacrifice, the President said:

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

Believing that the perpetuity of our institutions was menaced, and that the emergency required a full measure of sacrifice all along the line, Congress granted the President the extraordinary powers believed to be necessary to avert economic chaos and national disaster. The President was authorized to cut Government expenses so as to balance our National Budget, restore Government credit, establish confidence, and bring our people out of the wilderness into a normal national life.

Under the powers granted, the President was authorized to reduce pensions and compensation benefits to veterans of all wars and their dependents. When this power was conferred, I think I speak the truth in saying that every Member of the House and Senate believed that it would be reasonably, wisely, and humanely exercised. I am quite sure that if it had been known or suspected at the time that such drastic cuts would be made as were subsequently made in the pensions and compensation of veterans, especially those suffering from service-incurred disabilities, the economy bill in its present form would not have been enacted.

Members of Congress knew that President Roosevelt was not only a wise and patriotic statesman, but a man of ripe experience, sound judgment, tremendously sympathetic, and actuated by lofty ideals and humane motives, and believing that the President would accurately appraise the claims and needs of veterans and their dependents, and in every instance grant a full measure of justice, and that the cause of the veterans would be safe in his hands, the Economy Act was passed.

I have not lost faith or confidence in the wisdom, patriotism, fairness, and high sense of justice of Franklin D. Roosevelt. For him I have an ever-increasing admiration. In his veins flows the milk of human kindness. He is the same big-hearted, generous, kindly, compassionate character that he has always been. He is unspoiled by power, unawed by the economic dangers that threaten our national existence; courageous, yet confident, as he fights with his back to the wall against the evil influences that have poisoned the fountains of social justice and unbalanced our national life for the last 12 years.

Nor has Congress lost its faith or confidence in the President. I believe, and I think every Member of Congress believes, that President Roosevelt was too busy trying to lift a troubled Nation out of the quagmire of an unprecedented depression to realize just what the Veterans' Administration was doing when it promulgated the unreasonably severe and entirely too drastic regulations relating to pensions and compensation of veterans and their dependents. Buffeted by cross currents and rip tides of unparalleled proportions, it was humanly impossible for the President to supervise every governmental agency; and, being compelled to depend on departmental heads and bureau chiefs, it was but natural that he should look to the Veterans' Administration to formulate the regulations which would bring about an equitable readjustment of pensions and veterans' allowances.

In preparing these regulations and in determining what reduction should be made, the Veterans' Administration seems to have been functioning under some evil influence, and as a result the regulations were in many respects unreasonably harsh, unquestionably unfair, exceedingly unsympathetic, contrary to the intent of Congress, and not in harmony with the humane attitude of the American people toward our disabled veterans and their helpless dependents. The reduction in pensions and compensation, especially for service-incurred disabilities, was entirely too drastic and in many instances was so harsh and inhuman as to shock, methinks, the conscience of even many hard-boiled members of the Economy League.

I am sure the veterans understand the tremendous load President Roosevelt has been carrying. Obviously he could not give very much personal attention to each and every perplexing question that dogged his footsteps and plagued his administration. With all of his great powers and remarkable comprehension of national problems, he is only a man and has his finite limitations, and there is, of course, a limit to what any one man can do. Our Government is so complicated and our national ills have become so chronic and acute that the world wonders how the President has been able to give so much personal attention to so many different matters, and seemingly in every instance get unlooked-for results and bring order out of confusion. Therefore the unwise and unjust action of the Veterans' Administration escaped the President's attention until the Nation awakened to a realization of the full measure of injustice that had been done thousands of disabled and deserving veterans and their dependents.

It is a rule of my life to be charitable and temperate in my judgment and appraisal of the motives and conduct of men, and I do not believe that the officers of the Veterans' Bureau at the time they promulgated these regulations fully realized the injustice and in a multitude of cases the cruelty and inhumanity that would inevitably flow from their enforcement. The President, General Hines, and Mr. Douglas all admit that the regulations were too harsh and the pension and compensation cuts entirely too drastic.

When the American people realized the extent of the injustice with which a great army of disabled veterans were threatened, a wave of protest and indignation swept from coast to coast. The belief was almost universal that the Veterans' Administration had gone entirely too far, particularly with reference to veterans who are suffering from service-incurred disabilities.

I am a member of the Democratic steering committee of the House, which was created to formulate and direct the policies and procedure of the Democratic majority. On this committee I represent the States of Missouri, Iowa, and Minnesota. The Democrats in Congress took the lead to moderate and humanize the regulations of the Veterans' Administration, and to restore pensions and veterans' allowances to a fair and equitable basis. And in so doing we did not violate the letter or the spirit of the Economy Act. In passing that measure Congress never intended that the veterans should be unduly penalized, or compelled to bear more than their just proportion of the contribution necessary to balance our Budget and restore national credit. The Economy Act was right in theory and principle, but the Veterans' Bureau did not administer it sympathetically but by harsh, and in some respects inhuman, regulations reduced the pensions and compensation of deserving and disabled veterans to a point where the future held nothing in store for them except public charity or the poorhouse.

About the middle of May the Democratic steering committee appointed a special veterans' committee to confer with the President, with a view of securing a liberalization of the regulations promulgated by the Veterans' Administration in relation to pensions and veterans' allowances. A Democratic caucus ratified this action. This special veterans' committee consisted of seven Democrats—CROSSER, of Ohio; POU, of North Carolina; GOLDSBOROUGH, of Maryland; HASTINGS, of Oklahoma; LEA of California; PATMAN, of Texas; and LOZIER, of Missouri. This committee called to its assistance Mr. BROWNING, of Tennessee, and Mr. JEFFERS, of Alabama. PATMAN, BROWNING, and JEFFERS are World War veterans with honorable service records, and are recognized in and out of Congress as probably the best informed men in the United States in reference to veterans' legislation and veterans' affairs. Their devotion to their country and to the cause of veterans and their dependents will not be questioned. They are men of integrity, ability, and sound

judgment. Two have service-connected disabilities. Our committee desired their help and expert knowledge in our conferences with the President. In assisting in bringing about an acceptable compromise the value of their services to the veterans and the country cannot be overappraised.

Our committee held numerous conferences with the President. He welcomed us, listened to our plea, discussed the veterans' problems from every standpoint, reviewed the past and present pension policies, discussed in detail the regulations previously promulgated by the Veterans' Administration, frankly and earnestly stated his position, at all times was patient, courteous, sympathetic, seemingly anxious to correctly understand the situation, do full justice to the veterans, and at the same time protect the taxpayers of the Nation from unreasonable burdens.

Our first interview lasted nearly 2 hours, the second 3 hours, the third 3 hours, and at no time did the President become impatient, listless, or show a disposition to end the interview. We sat around the table and talked face to face in an earnest endeavor to reach a just and proper decision. I understand that in our several interviews with the President our little veterans' committee was probably given more time than the President had given to the representatives of the powerful groups of financiers, industrial lords, and transportation kings who conferred with him in reference to the epoch-marking legislation relating to banks, railroads, industry, and big business. And during these interviews Mr. Roosevelt was so human, cordial, and considerate that we almost forgot that we were talking to and matching wits with the President of the United States, the most powerful and most beloved man in the world.

These were epoch-marking, history-making conferences. We were seriously discussing the relative rights of the veterans and the taxpayers, and endeavoring to find a formula or plan that would be just and fair to the veterans, and yet not unjust or unfair to the Government. General Hines and Director of the Budget, Mr. Douglas, participated in these conferences. While I have long recognized the outstanding ability, exalted character, and far-seeing statesmanship of Franklin D. Roosevelt, until I saw his superb intellect in action for hours, I had not comprehended the full measure of the man or accurately appraised his striking and admirable qualities of mind and heart. Whether in attack or on the defensive, he is always intellectually alert. He is robust, sturdy, and intensely human, yet unyielding where principle is involved. He frankly said that he would liberalize the regulations promulgated by the Veterans' Administration, because he thought they were unreasonably rigid, and that as to veterans with service-incurred disabilities the reductions were too drastic. As a result of our conferences with the President a compromise was reached which was accepted by the House, plus the Byrnes amendment, and finally approved by the Senate.

Now compromises are seldom satisfactory to either side, but I am convinced that for the time being we have secured the best possible settlement of this perplexing veterans' problem. I was not satisfied with some of the features of this compromise. The regulations of the Veterans' Administration cut too deep and took away from veterans and their dependents more than was just and reasonable. By this compromise settlement the veterans recover a substantial part of what wrongfully was taken from them. The regulations cut their allowances $410,000,000. By this compromise $100,000,000 of this loss is recovered.

While the veterans, by this compromise, are not getting all they demand nor all to which I think they are entitled, they have certainly made progress, because under present economic conditions $100,000,000 is a dignified sum which will be tremendously helpful until a final and fair solution of the veterans' problem can be reached. In this Congress no legislation could have been passed over a Presidential veto. If Congress had refused this adjustment, we would have faced a veto, and ultimately the veterans would have received much less than they get under the compromise that our committee negotiated with the President.

Our committee worked diligently to effect a settlement that would restore every benefit of which the veterans had been unjustly deprived. While conceding that the rolls should be purged of unmeritorious and fraudulent cases we insisted that every presumptive case should remain on the rolls until the Government, by clear and convincing evidence, affirmatively showed that the disability in question was not incurred in or aggravated by service. We vigorously contended that the Spanish-American War veterans and their widows should remain on the rolls and draw not less than 75 percent of the pensions that they had previously been receiving.

Now, let us see what we are getting for the veterans by this compromise: We restored the widows and dependents of 36,325 World War veterans to the pension rolls, and they will continue to draw the same pensions they formerly received without any deduction whatsoever. We restored to the rolls for the time being 154,848 World War veterans who had presumptive service-connected disabilities, and made it possible for many of them to remain on the rolls permanently, because the compromise provides that the burden of proof is on the Government to show by affirmative evidence that the disability was not incurred in or aggravated by the service, and in determining the question of service connection all reasonable doubts must be resolved in favor of the veterans.

I helped frame this language, and it is so plain and clear-cut anyone who reads it will readily understand that a veteran who has a direct or presumptive service-connected disability will remain on the rolls until the Government, by clear and convincing evidence, affirmatively and conclusively shows that the disability was not incurred in or aggravated by the service. Then again the compromise puts back on the pension rolls 105,660 Spanish-American War veterans who would have been removed under the original regulations issued by the Veterans' Administration.

Except, as to Spanish-American War veterans, the compromise that was finally adopted—that is, the House proposal plus the Byrnes Senate amendment—was more favorable to the veterans than the Connally amendment, and even now the President has authority under Public, No. 2, to restore to Spanish-American War veterans all the benefits they previously enjoyed.

The Connally amendment did nothing for the widows and other dependents of 36,325 deceased World War veterans whose pensions would have been discontinued July 1 under the regulations of the Veterans' Administration.

Our committee worked hard to get a more liberal allowance for Spanish-American War veterans, and I regret that we were unable to write into the bill a satisfactory and definite provision granting adequate pensions to this group of deserving veterans, most of whom are needy, disabled, or suffering from the infirmities of age. Our committee was deadlocked with the President for 2 days on Spanish-American War pensions, and much of the time consumed by our committee in conference with the President was used in discussing Spanish-American War pensions.

We could see no reason for the discrimination against veterans of the Spanish-American War, and we urged that they be allowed to remain on the pension rolls at not less than 75 percent of their previous pension allowances. They served in a tropical climate, lived in unsanitary camps, were compelled to eat unwholesome food, and had no hospitals and little or no medical attention, and practically no records were kept of their illness, activities, and service.

The President agreed to reduce the pensionable age of Spanish-American veterans in non-service-connected cases to 55 years, and only a few are now under that age. While this group will draw not less than $15 per month, we succeeded in placing them on the rolls, which will help tremendously when an effort is made in subsequent Congresses to give the Spanish-American War veterans a fair and adequate pension, which they are not getting at the present time. Now, practically every Member of Congress with whom I talked admitted that the Spanish-American War

veterans are subject to an unjust and undeserved discrimination, whether considered on the basis of their age and infirmities or in comparison with pensions paid to veterans of other wars.

But your committee did the best it could. Congress did the best it could. We got everything we could get for the Spanish-American War veterans. We only yielded when we saw that we could get nothing more. But they have a just cause, and as sure as night follows day Congress will correct this mistake and place the Spanish-American War veterans on an equality with the veterans of other wars.

The Steiwer Senate amendment did not differ materially from the House proposal, except it restored Spanish-American War veterans to the rolls with three fourths of their original pensions. I gladly would have accepted the Steiwer amendment if there had been any chance for it to become a law, but the President authorized Senator ROBINSON, the Democratic Senate leader, to state that if Congress adopted the Steiwer amendment the bill would be vetoed. So nothing could be gained by sending the Steiwer amendment to the White House, where an inevitable veto awaited it.

If Congress had refused to approve this compromise, adopted the Steiwer amendment, and forced a Presidential veto, it would have done irreparable injury to the veterans and their dependents, and such ill-advised action would have set back the veterans' cause for at least 10 years. As Senator CLARK stated in the Senate, "a part of something is much more than all of nothing." Our committee secured the maximum concessions it was possible to obtain, and Congress rendered a very valuable service to the cause of the disabled veterans by averting an open breach and schism with our popular and beloved President, behind whom the Nation stands almost as a unit.

With more time and opportunity to study the question, I am confident the President and Congress will be able to agree on a policy that will do full justice to the veterans of all wars, and at the same time strike from the rolls the names of all those who have no just claim on the Nation's bounty and whose retention on the rolls is unfair to the deserving veteran and imposes an unjust burden on the taxpaying public.

May I enumerate some of the advantages accruing to veterans and their dependents as a result of the action of Congress?

(a) Under the regulations issued by the Veterans' Administration, the presumptives were all to be removed from the rolls July 1. Under the compromise all remain on the rolls and receive not less than three fourths of their present allowances until an independent board set up by the President determines their rights to service connection. These boards are not bound by medical opinion or clinical findings, but will consider all evidence offered, with all reasonable doubts resolved in favor of the veteran, and with the burden of proof on the Government to show affirmatively that the veterans' disabilities are not service connected. This provision will retain many thousand veterans on the rolls who would have lost their compensation July 1.

(b) Veterans who have disabilities which are directly service connected are saved from the drastically low cuts made under the Economy Act and their compensation restored to within an average of 18 percent of what they have been receiving, with a provision that the reduction shall not exceed 25 percent in any directly service-connected case.

(c) The widows, orphans, and other dependents of 36,325 World War veterans are restored to the rolls and will continue to draw the pensions they formerly received, without any reduction whatsoever.

(d) Under the regulations authorized by the Economy Act, veterans suffering from total and permanent non-service-connected disabilities had their pensions reduced to $20 per month. Under this compromise they will receive $30 per month.

(e) All Spanish-American War veterans who are suffering from service-connected disabilities are given an increase and allowed the same pensions as veterans of the World War, in the same class.

(f) All Spanish-American War veterans over 62 years of age will receive not less than $15 per month. Under the regulations issued by the Veterans' Administration they would have received only $6 per month.

(g) All Spanish-American War veterans between 55 and 62 years of age who are in need and 50 percent disabled from any cause will receive not less than $15 per month.

Now, a word in reference to disability-allowance cases—those where the disabilities have not so far been shown to be service connected. Where this disability is total and permanent, the veteran will receive $30 per month, $10 per month more than he would have received under the regulations issued by the Veterans' Administration. Aside from this increase, the compromise does nothing for those drawing disability allowance, and nothing could be done for this group of veterans because as to cases where the disability is less than total and permanent, and is not shown to be service connected, the President was adamant and determined not to budge an inch. He told us kindly but firmly, that while this group would be given hospitalization, he was opposed in principle to granting them pensions unless they have a total and permanent disability. In other words, the President is opposed in principle to granting a pension to any veteran unless such veteran's disabilities are shown to be service connected.

I am convinced that many of these disability-allowance cases are meritorious and the veterans justly entitled to Government aid. In many of these cases, the veteran claims and honestly believes his disabilities are due to his service, and has submitted much proof to substantiate his claim, but because of imperfect and hastily prepared hospital and military records, the veteran is unable to furnish the proof demanded by the Government to establish such service-connection. In many other cases the veteran had hospital records, and was shown to have suffered from severe illness while in the service, but the Bureau physicians held that the proof was not sufficient to show that the veteran's present disabilities were the outgrowth of his illness while serving his country.

Many veterans who are drawing disability allowances are in equity and good conscience entitled to disability compensation, but perhaps through some technicality or omission in the records, service connection has been denied. When the disability-allowance statute was enacted, thousands of soldiers who had applied for disability compensation and were endeavoring to establish service connection of their disabilities concluded to accept the disability allowance rather than to be put to the trouble and expense of establishing their right to disability compensation.

Now, after our committee had its first conference with the President, he promulgated regulations liberalizing the regulations previously issued under the Economy Act. Under these new regulations approximately $40,000,000 annually was added to the amount payable to veterans and their dependents, as pensions and compensation allowances. But our committee was not satisfied with this increase, and insisted on additional concessions, which we believed in fairness and all good conscience were due the veterans. We continued our conferences with the President and, as I have stated, obtained additional concessions bringing the increases to approximately $100,000,000. We feel that we were partially responsible for the first liberalization made by the President on June 6 which restored directly service-connected cases to within 18 percent of their former rating; but be that as it may, the fact remains that since the Democratic House caucus sent our committee to the President the law and regulations have been liberalized so as to add $100,000,000 to the annual payment to veterans and their dependents.

I am convinced that in thousands of cases the disabilities of veterans are due to their military service, even where there is no record to affirmatively and conclusively establish such fact. Many veterans came out of the war without having been seriously ill during their military service, but they were debilitated, "run down and worn out," their vitality reduced, their constitutions and vigor impaired, and perhaps slumbering in their systems were the insidious germs of dis-

ease that remained dormant and latent for months and years after their discharge, but finally became active and virulent, and ultimately produced a state of invalidism.

If the Government adopts the policy of not granting pensions to any veteran unless it is shown that his disabilities were service-connected, then by every principle of justice these disability-allowance cases should be reopened and the veterans given a chance to have their cases reviewed, so they may, if possible, establish service connection. But future Congresses will determine how far we shall go in extending aid to veterans whose disabilities are not shown to have been incurred in or aggravated by their military service.

While opposing the policy of granting pensions in cases where disabilities are not service connected, the President stated that he was willing to make an exception to this rule as to veterans of the Spanish-American War, because in that war very few, if any, medical records were kept and that there were practically no hospitals or hospitalization of soldiers, which made it practically impossible for a Spanish-American War veteran to show that his disabilities originated in or were aggravated by his military service; and as 35 years have elapsed since that war and many of the participants are dead or widely scattered, it is exceedingly difficult and in most cases impossible for a Spanish-American War veteran to establish by the testimony of his comrades that he was ill or injured in the service and in the line of duty.

While as a whole the compromise is a substantial victory for the disabled veterans, it does not do full justice to certain groups, but I am convinced that this condition will be corrected at an early session of Congress. Neither the President, the Congress, nor the American people want to deal unjustly with deserving and disabled veterans of any war who are suffering from disabilities that may fairly be traced to their military service.

Mr. LUNDEEN. Mr. Speaker, on April 6, 1917, we entered a war, they said, "to make the world safe for democracy." We won the war, and the world is now safe for international bankers, dictators, and J. Pierpont Morgan & Co. The men who fought for democracy, whose bodies and minds are scarred with the ravages of war, now see their small pittances taken from them by dictatorial powers. The Economy Act has torn down the whole structure of more than a century of pension legislation. The same international bankers who demanded that these men be sent to the trenches of Europe are now intent on robbing them of their compensation. These international bankers and captains of international industry have no flag and know no patriotism, and their only god is gold. They now declare another war, a war on the veterans of America; again they have enlisted the press of the Nation to distribute their propaganda and poison the minds of the American people against the defenders of the Nation.

They are raiders of the Treasury, and we must thrust them from their seats of power before it is too late, before they have plunged this Nation into another colossal disaster. We point them out as racketeers and we brand them as such. Write the name "Treasury raider" across every international banking house, every private munition plant, every huge corporation which controls the natural resources of this country and exploits them for enormous private profits at the expense of the people. Write the name "racketeer" across every corporation or individual who profits from war. These profiteers and racketeers have joined forces against the veterans of America. Evict them from their seats of selfish profit as they evict the workers from their homes and the farmers from their land. Let them protect their own investments abroad. Let them live and die on foreign shores where they invest and where they risk war for profit and gold.

ECONOMY LEAGUE PROPAGANDA

The Economy League spent huge sums of money propagandizing the people of this country into support of the Economy Act. The sums of money to be saved the taxpayers were advertised. The effect this so-called "saving" would have upon the veterans was not mentioned. And when the plans of the administration for carrying out the proposed saving of $460,000,000 were actually formulated, the burden to be thrown upon the backs of the veterans was so heavy that the facts were kept secret for a time by the Veterans' Administration.

Congress finally revolted against administrative control. A Democratic caucus of the House was held on May 25. A Democratic committee was appointed and called on the President on May 29. Estimates of veterans' cuts were demanded and received, and in submitting the estimates General Hines stated:

> We have been extremely loath to give out information concerning the breakdown of these items, as it is felt that only through the review now being made may we arrive at a reasonably accurate distribution of pension expense, especially in view of the fact that but one appropriation covers pensions of all types and there probably will be variations as to the groups within this total.
>
> I fear that any new publicity given to preliminary estimates as quoted above will create unnecessary apprehension on the part of many. For this reason the subcommittee of the Appropriations Committee of the House handling this particular appropriation bill saw fit to withhold this information from the House as a whole and confine it to the above subcommittee.

The reason why "unnecessary" apprehension was feared can be clearly seen by an examination of the estimated slashes to be made under the Economy Act. It was after these figures were published in the CONGRESSIONAL RECORD under date of May 29, 1933, by Congressman CROSSER, of Ohio, that a general but mild uprising in House and Senate occurred. The President issued new orders on June 6, 1933, slightly increasing certain classes of pensions; and various amendments liberalizing the Economy Act were tacked onto the independent offices appropriation bill and voted on by both House and Senate.

RECORD OF MINNESOTA DELEGATION ON VETERANS' LEGISLATION

I present the record of the Seventy-third Congress, and especially the record of the Minnesota delegation on these various pieces of veterans' legislation: The Economy Act, the independent offices appropriation bill as first introduced, the Connally amendment, the Steiwer-Cutting amendment, the original so-called "House compromise plan", which the House substituted for the Connally amendment, and the final plan which was adopted as a part of the Independent Offices Appropriation Act.

THE ECONOMY ACT

Here are the figures which the Veterans' Administration thought best to keep secret. These figures were published by Congressman CROSSER, of Ohio, on May 29, 1933, in the CONGRESSIONAL RECORD.

WORLD WAR

Service-connected cases

Service-connected cases will lose $156,826,010 annually.

At present 380,648 cases would draw, under the old law, $221,728,010.

Under the new act 225,800 cases will receive $64,902,000.

Emergency officers' retirement

These officers will lose $6,729,827.

Under the old law 6,314 retired officers would receive $10,029,827.

Under the new act the number is reduced to 2,000 retired officers, and the amount reduced to $3,300,000.

Death compensation

(World War, including widows, orphans, and dependent parents, all service-connected)

These beneficiaries will lose $13,689,837 annually.

Under the old law 107,325 would receive $39,389,837.

The number of beneficiaries under the new act will be reduced to 77,000, and the cost to $25,700,000.

Disability allowance

(Presumed to be for disabilities not connected with the service)

These veterans will lose $91,768,326 annually.

Under the present law 501,724 would receive $101,652,326.

The number has been reduced to 48,500 under the new act, and the amount to $9,884,000.

SPANISH-AMERICAN WAR, INCLUDING BOXER REBELLION, PHILIPPINE INSURRECTION

Service-connected

The number of cases has been increased from 600 under the old law to 19,400 under the new act.

The amount has been increased from $291,600 to $11,800,000.

The widows have been increased from 1,175, at a cost of $330,175, to 2,300 at a cost of $700,000.

Non-service-connected

These veterans will lose $85,566,633.

Under the old law 197,260 would receive $107,026,277.

Under the present law 98,600 of these veterans will receive $21,459,644.

The number of non-service-connected widows, under the old law, was 42,161, who would have received $17,124,658.

Under the new act 41,036 will receive $7,700,000, or a loss of $9,424,658.

CIVIL WAR

Service-connected and non-service-connected

Under the old law 22,525 veterans would have drawn $24,000,000.

Under the new act 22,525 veterans will receive $21,460,700, or a loss of 10 percent.

Widows

Widows will lose 10 percent for 1 year only, the same as the veterans will lose 10 percent for 1 year only.

Under the old law 122,492 would have received $58,534,100 the coming year.

Under the new act they will receive $52,680,690, or a loss of $5,853,410.

OTHER WARS—INDIAN, MEXICAN, 1812

The veterans will lose $559,747.

Under the old law 4,676 would receive $2,808,188; they will receive $2,248,441 under the new act instead.

The widows, 5,135, would have received $2,025,028. They also take a 10-percent reduction and will receive $1,822,525.

PEACE TIME

Service-connected

The number under the old law would have been 21,082 and the amount $6,400,000.

Under the new act the number of veterans will be 30,389 and the amount $5,672,000, or a loss to the veterans of $728,000.

The widows will be increased from 5,736 under the old law to 10,736 under the new act, and the amount increased from $1,389,974 to $2,400,000.

Under the new act there will also be an estimated saving of $34,000,000 in administration, medical, hospital, and domiciliary services from $110,538,514 under the old law to $76,538,514 under the new act.

MILITARY AND NAVAL INSURANCE

There will be a reduction of from $134,000,000 under the old law to $123,000,000 under the new act.

HOSPITAL AND DOMICILIARY FACILITIES AND SERVICES

There will be a reduction of from $5,000,000 under the old law to $1,000,000 under the new act.

ADJUSTED-SERVICE-CERTIFICATE FUND

There will be a reduction of from $100,000,000 under the 1934 estimate to $50,000,000.

PRESUMPTIVE CASES

World War veterans

One of the most cruel blows struck by the regulations issued under the Economy Act was aimed at those veterans who are receiving compensation for disabilities presumed to be service connected under the World War Veterans' Act, as amended. Under section 200 of this act if a veteran developed active tuberculosis or nervous or mental diseases at any time prior to January 1, 1925, the condition was presumed to be due to service. The Veterans' Administration states:

> On April 30, 1933, compensation payments were being made to 338,138 World War veterans whose disabilities were directly or presumptively connected with service. It is estimated that approximately 150,000 of these veterans will be dropped from the rolls under Public, No. 2 (the Economy Act), because of presumptive service connection.

These figures were given to me by the Veterans' Administration on June 8, 1933.

These 150,000 World War veterans are affected by Executive Regulation No. 1, part 1, in which there is a paragraph stating:

> That for the purposes of paragraph I (a) hereof (stating that certain veterans shall be entitled to a pension) a chronic disease becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from active service as set forth therein shall be considered to have been incurred in or aggravated by service, as specified therein * * * provided the person suffering from such disease served 90 days or more in active service.

IMPOSSIBILITY OF PROVING SERVICE CONNECTION

These 150,000 veterans once secured affidavits and other evidence to prove that they were afflicted with active tuberculosis or a mental or nervous disease prior to January 1, 1925. When the Economy Act was passed, they began to search frantically for more affidavits, more evidence, to prove that their sad condition was in existence 1 year after discharge.

But they have no affidavits; they have no evidence. They did not stop after their discharge to collect evidence of their disabilities; they were heroes; they relied on the promise of Uncle Sam to take care of them. Many of the doctors who treated these men are dead; they cannot give affidavits. Thousands of veterans took no notice of their disabilities after the war. They never thought of seeing to it that a systematic record was kept of their physical condition. Their first concern was to get away from the Army and go home. Many of them found jobs in the boom years and never thought of applying for compensation until the Money Trust staged the stock-market crash of 1929.

$20 A MONTH FOR PERMANENT AND TOTAL DISABILITY

To these permanently and totally disabled World War veterans, who formerly received $100 a month, the first Executive regulations under the Economy Act allotted $20 a month. By the regulations of June 6 this amount was changed to $30. And remember that this $20 and this $30 were to go to veterans who suffered all the horrors of war in the trenches of France. Many of these men carried home in their bodies the dread germ of tuberculosis or in their heads the echoes of crashing shells which frequently led to mental disease. These are the men who are constantly in need of medical attention and care.

How did the gentlemen who voted for the economy bill answer the letters they received from totally disabled veterans who were notified that their compensations had been cut to $20 a month? Did they say "It was necessary to cut your compensation to $20 a month in order to maintain the credit of the United States Government"? These veterans know that this Government was in the red 16 years ago. Then Congress found billions of dollars to send them to the battlefield where many of them incurred these disabilities.

PRESUMPTIVE CASES

Spanish War

Under the Economy Act, all World War and Spanish War veterans whose disabilities were not shown to be incurred in actual service were to be dropped from the pension rolls with the exception of Spanish War veterans over the age of 62 and of veterans who are permanently and totally disabled. (That provision of the Economy Act was slightly modified by the independent offices bill as it finally passed both Houses. I will take up that modification later. It does not materially affect what I wish to say here about the effect of the original Economy Act on the Spanish War veterans.)

The so-called "presumptive clause", regulation 12 of the Executive orders, recognized that Spanish War veterans would be at a decided disadvantage in proving their disabilities to be service-connected. This clause states that these men shall continue to receive a pension under the act at the rate being paid them on the date of the enactment of the Economy Act—

> It being presumed that the injury or disease causing the disability was incurred in the line of duty in the active military or naval service during * * * the Spanish-American War, including the Boxer rebellion and the Philippine insurrection.

This presumption was to be rebuttable, but the burden of proof was to be on the Veterans' Administration to show that the disability was not service-connected, and this evidence was to be based on "medical judgment or affirmative evidence."

87 PERCENT TO 90 PERCENT OF SPANISH WAR VETERANS CUT OFF

It appears that no consideration was given to this presumption clause. The burden of proof was thrown back on the veterans, who are now of the average age of 59, and many of whom are 62 and over. The United Spanish War Veterans headquarters and the National Tribune variously estimated the number of Spanish War veterans to be taken off the rolls under the regulations of the President from 87 percent to 90 percent of the total. Thousands of Spanish War veterans were apparently to be taken from the rolls because they could not qualify for total disability under the amended rating schedules authorized by the Economy Act.

These veterans have reached their declining years. I doubt if there is a Member of this House who has not received letters from bewildered Spanish War men who have received notice that their pensions are to be cut to $6 a month or who have been dropped from the rolls. How did the gentlemen who voted for the Economy Act answer these letters? Did they reply "It was necessary to cut your pension to $6 a month in order to maintain the credit of the United States Government. I am sorry you have no other means of support, but we will give you a flag for your grave"?

One case has come to my attention, of a Spanish War veteran who received three medals from the Navy Department in recognition for service in the War with Spain, the Philippine insurrection, and the Boxer uprising, and in the same mail received a notification that his pension had been cut from $60 to $20 a month. This case was reported in the Minneapolis Tribune on Thursday, June 8, 1933.

EXPLANATION OF INCREASE IN SERVICE-CONNECTED SPANISH WAR VETERANS

The increase shown here in the number of service-connected Spanish War veterans, and the increase in pensions granted them under the Economy Act, is explained in this way:

Until 1920 all Spanish War veterans who were drawing pensions had established service connection in accordance with the requirements of the old so-called "general law." On June 5, 1920, the Spanish War service pension law was passed. Under this law there was no distinction between service-connected and non-service-connected disabilities. Any Spanish War veteran who applied could receive a pension for varying rates of disability. The same applies for the laws of May 1, 1926, and June 2, 1930, which increased the rates of pension until the maximum of $60 was reached for permanent and total disability cases.

Thousands of Spanish War veterans dropped their claims of service connection under the general law and applied for the more liberal pension granted under the later laws without regard to service connection. For that reason prior to the Economy Act, out of about 195,000 Spanish War veterans on the pension rolls, only 600 were recorded as service connected. These 600 merely had neglected to apply for pensions under the new and more liberal law.

EFFECT OF ECONOMY ACT ON HOSPITALS

With a few exceptions, under the Economy Act, no hospitalization or domiciliary care is to be given to veterans whose disabilities are not shown to be service connected under the new regulations. These are the instructions of the Veterans' Administration. About a month ago Stephen Early, Assistant Secretary to the President, issued a statement which was published in the press, in which he stated:

> Regional offices of the Veterans' Administration will not be closed as has been reported, except where it has been clearly demonstrated that regional facilities are not necessary.

Apparently, under the Economy Act, it is unnecessary to treat thousands of veterans who are in need of treatment. We can dismiss several hundred doctors and nurses and throw them in the breadline. We can close up these institutions and throw the veterans in the streets. And that is exactly what is being done under the Economy Act. The Veterans' Administration reports the following figures showing the number of vacant beds in Government hospitals:

Vacant beds, Feb. 28, 1933	3,611
Vacant beds, June 15, 1933	14,638

These are not domiciliary beds, but actual hospital beds. The vacant domiciliary beds, in soldiers' homes and institutions, increased from 1,424 on February 28, 1933, to 11,706 on June 15, 1933.

In other words, there are 11,027 more vacant hospital beds today than there were before the passage of the Economy Act, and there are 10,282 more vacant domiciliary beds.

I say these men are being thrown into the streets. I said at the time this act was passed that men would be thrown out of their hospital beds into the streets, and the figures of the Veterans' Administration bear me out now. There were assurances at the time this act was passed that it would be administered humanely, but I warned at the time against granting such broad, sweeping power on the faith that it would be wisely used. Even as early as May 1, 1933, the Naval Hospital at Philadelphia was forced to reduce the number of its patients from 578 to 270, and that fact was published in the daily press.

Every veterans' hospital in America is on the verge of disruption, and there is no assurance in any legislation passed since the Economy Act that these hospitals will be saved and the veterans of America cared for. These things are coming to pass. The warnings such as I gave at the time this act was passed cannot be silenced now with the assurance that the act will be humanely administered. It has not been humanely administered, and there is every indication that it will not be humanely administered in the future.

HOUSE ROLL CALL ON ECONOMY BILL, MARCH 11, 1933

On this act, which threatens to disrupt our Government hospitals, and which tore down the structure of veterans' legislation built up through a period of over a century, the Minnesota delegation voted as follows:

> Yeas: Theodore Christianson (Republican), Harold Knutson (Republican), Einar Hoidale (Democrat).
> Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor), Ray P. Chase (Republican).

The bill passed by a vote of 266 to 138.

TO ACCEPT SENATE AMENDMENTS WAS TO MAKE ECONOMY BILL LAW

No Farmer-Labor Member of the House of Representatives voted for the economy bill, either as first introduced or as amended by the Senate and again passed by the House March 16, 1933. Farmer-Labor Members of Congress knew that a vote for the Senate amendments to the bill was a vote to send that bill to the President for signature. It was not just a vote to improve the bill; it was a vote to pass the bill. Separate votes were not taken on the amendments and then on the bill in the House. Members of the House voted for the amended bill as it came from the Senate or they voted against it.

If a majority of the Members of the House had voted against the amended bill, it could not have become a law, and the structure of veterans' legislation built up through 150 years could not have been struck down with one blow. If a sufficient number of Representatives had voted against the amended bill, it would have gone back to conference instead of to the White House for the signature of the President. Instead of voting to accept a bad piece of legislation because it had been slightly improved, Farmer-Labor Members rejected it altogether. If a sufficient number of Representatives had done likewise, a large number of totally disabled veterans would never have received notice that their compensations were to be cut to $20 a month on July 1, 1933. Thousands of veterans would never have been told that they were to be removed from the pension lists and thrown on State and local charity. Thousands of bewildered old men who once volunteered their services in the Spanish-American War when they were mere boys would never have had to stare into a dark future of poverty and destitution for the remaining few years of their lives.

The effect of an affirmative vote on the amended economy bill was stated on the floor of the House just before the vote was taken, when Congressman McCormack, of Massachusetts, inquired:

> Mr. Speaker, a parliamentary inquiry.
> The Speaker. The gentleman will state it.
> Mr. McCormack. As I understand it, the question before the House is not the passage of the bill but the acceptance or rejection of the amendments of the Senate to the bill.
> The Speaker. The gentleman is correct.

Then Congressman Connery, of Massachusetts, made a parliamentary inquiry which brought out the real effect of a vote for the amended economy bill:

> Mr. Connery. Mr. Speaker, a parliamentary inquiry.
> The Speaker. The gentleman will state it.
> Mr. Connery. But the effect of accepting the Senate amendments is that the bill becomes law.
> The Speaker. The bill becomes law; yes, of course.

That was the effect of a vote for the economy bill as it came back amended from the Senate. The bill became a law. No Farmer-Labor Congressman voted for that amended bill. The Minnesota delegation voted as follows:

Yeas: Ray P. Chase (Republican), Theodore Christianson (Republican), Harold Knutson (Republican), Einar Hoidale (Democrat).

Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor).

Not voting: Paul John Kvale (Farmer-Labor), absent.

Congressman KVALE was absent because of a serious hospital operation and illness in his family.

The bill passed by a vote of 373 to 19.

SENATE ROLL CALL ON ECONOMY BILL AMENDMENTS

Several amendments were proposed in the Senate to the economy bill on March 13, 14, and 15, 1933, as it was received from the House. Each amendment was voted on separately in the Senate. On some of these amendments the yeas and nays were demanded. On those amendments which affected the veterans, and on which the yeas and nays were demanded, I present the votes of the Minnesota Senators.

On March 14 Senator HARRISON, of Mississippi, offered an amendment to liberalize title 1, section 17, dealing with yearly renewable term insurance, and providing that nothing in the Economy Act should interfere—

With payments hereafter to be made under contracts of yearly renewable term insurance where suit on such insurance has been instituted and trial had prior to the enactment of this act and judgment has heretofore been or hereafter is entered and has become or becomes a final judgment; * * *.

The amendment also provided—

That no costs shall be taxed against any plaintiff whose right to continue his suit on yearly renewable term insurance is abrogated by this section.

This amendment provided that judgments already rendered should be paid and that those suits pending in court should be dismissed at the cost of the Government rather than the veteran.

On this amendment the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead, not voting (absent).

Senator HARRISON's amendment was rejected by a vote of 56 to 18.

On March 15 Senator LA FOLLETTE, of Wisconsin, offered the following amendment:

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 explained his amendment in these 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 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.

On this amendment the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead not voting (absent).

Senator LA FOLLETTE's amendment was rejected by a vote of 16 to 62.

Senator CONNALLY, of Texas, offered an amendment on March 15:

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.

This amendment left the power in the hands of the President to rerate veterans' cases; but, as Mr. CONNALLY stated, the amendment was—

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.

On this amendment the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead, not voting (absent).

The amendment was rejected by a vote of 28 to 45.

SENATE ROLL CALL ON FINAL PASSAGE OF AMENDED BILL

On the final vote—for or against the economy bill, which finally was signed by the President—the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead, not voting (absent).

The bill was passed by a vote of 62 to 13.

PRESIDENTIAL ORDERS OF JUNE 6, 1933

The Veterans' Bureau estimates that under the President's regulations of June 6, 1933, $32,972,000 more would be paid to veterans of the World War than provided for under the Economy Act, and $17,028,000 more would be paid to veterans of all other wars. This would make the total increase $50,000,000.

A new rating schedule was set up which provided for $90 for total service-connected disability for veterans of the World War or Spanish War, including the Boxer rebellion and the Philippine insurrection. There are 10 different ratings, instead of 5, as set up in the first regulations, and these schedules range from $9 to $90, instead of from $8 to $80, as under the first regulations. The pension for non-service-connected permanently and totally disabled veterans of either war is increased from $20 per month to $30 per month. No change is made in the regulations affecting Civil War veterans. These veterans took a straight 10-percent cut under the Economy Act, and further legislation passed did not change that provision.

INDEPENDENT OFFICES APPROPRIATION BILL

The House roll call on the original independent offices appropriation bill was taken on May 12, 1933. This is the bill which proposed to cut the appropriations of the Veterans' Administration approximately in half, taking approximately $460,000,000 away from the veterans.

On this roll call the vote of the Minnesota delegation was as follows:

Yeas: Theodore Christianson (Republican).

Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Ray P. Chase (Republican), Harold Knutson (Republican).

Not voting: Einar Hoidale (Democrat) (paired for the bill), Francis H. Shoemaker.

The bill was passed by a vote of 250 to 117.

When the bill went to the Senate, the Connally amendment was attached, providing:

Notwithstanding any of the provisions of the act approved March 20, 1933, entitled "An act to maintain the credit of the United States Government", 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, or the pension of any widow and/or dependents of such veterans, be reduced more than 25 percent of the rate being received prior to March 15, 1933.

The Veterans' Administration estimates that under this amendment approximately $153,000,000 would have been turned back to the veterans from the $460,000,000 cut contemplated by the original Economy Act. Many of the veterans' friends in the Senate voted against this amendment, because they wanted to substitute in its place an amendment which would have called for a 15-percent cut instead of 25 percent.

On the Connally amendment the Minnesota Senators voted on June 2 as follows:

Schall, nay; Shipstead, nay.

The amendment passed by a vote of 43 to 42, the Vice President casting the deciding vote.

CONNALLY AMENDMENT IN THE HOUSE

In place of the Connally amendment the House substituted a "compromise amendment", by which the Connally amendment was stricken out and in its place inserted a provision whereby the President was authorized to establish special boards for the purpose of reviewing the presumptive cases of World War veterans to determine whether or not such cases might be considered to be service connected.

The amendment stated that, except for "fraud, mistake, or misrepresentation", 75 percent of the payments being made before the Economy Act was passed were to continue until October 31, 1933, or the date of a special decision on the case, whichever is the earlier date. The rates of compensation for directly service-connected cases were not to be reduced more than 25 percent. But no provision of this kind was made for the Spanish War men. Instead, Congressman CROSSER, chairman of the special Democratic House committee which called on the President on May 29, received a letter from the President, which Mr. CROSSER presented to the House on June 10:

MY DEAR MR. CHAIRMAN: I am enclosing herewith the language which I suggest be substituted for the language of the so-called "Connally amendment."

It is not necessary that there be included in this amendment language dealing with the Spanish-American War veterans who are 55 years of age or more. I have the authority under the provisions of the "act to maintain the credit of the United States Government" to issue regulations for their benefit.

I give you the assurance that if the Congress sees fit to substitute the language attached hereto in lieu of the Connally amendment I will issue a regulation which will give some assistance to the Spanish-American War veterans who are 55 years of age or more.

Because of the peculiar conditions surrounding the Spanish-American War and Spanish-American War veterans, I want to emphasize that the assurance given in this letter and the action which I shall take pursuant thereto must not be considered as a precedent of other wars.

P. S.—It will be necessary to add to the language herewith enclosed provisions exempting the members of the board from the provisions of the Civil Service and Classification Acts.

The Veterans' Bureau estimated that the House compromise amendment would have paid $51,404,000 more to the veterans of the World War than would be paid under the original Economy Act and that $21,596,000 more would be paid to veterans of all other wars. The original House compromise plan would also have added $17,000,000 to the appropriations for administration and hospitalization. The total additional cost over the Economy Act would have been $90,000,000, according to the figures of the Veterans' Administration.

On this compromise amendment the votes of the Minnesota Representatives were as follows:

Yeas: Einar Hoidale (Democrat).

Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor), Ray P. Chase (Republican), Theodore Christianson (Republican), Harold Knutson (Republican).

The bill with this compromise amendment passed the House by a vote of 243 to 154.

STEIWER-CUTTING AMENDMENT

When the conference report on the independent offices appropriation bill was taken up in the Senate on June 14, the Senate adopted the Steiwer-Cutting amendment, which was substituted for the House compromise amendment. Rather than stating that the "rates of compensation" for directly service-connected cases shall not be reduced more than 25 percent, as did the House compromise amendment, the Steiwer-Cutting amendment stated:

In no event shall the compensation being paid * * * be reduced more than 25 percent.

The Steiwer-Cutting amendment also protected the presumptive cases by making it more binding upon the Administration to resolve all benefits of doubt in favor of the veterans. It also protected Spanish-American War veterans by providing that in no case were the pensions being paid to the veterans of any war prior to the World War to be reduced more than 25 percent.

The Veterans' Administration estimated that the Steiwer-Cutting amendment would have given $148,000,000 to the veterans over the amount originally estimated by the Administration under the provisions of the Economy Act. This Steiwer-Cutting amendment would give to the veterans $58,000,000 more than they would have received under the original House compromise plan, according to the estimates of the Veterans' Administration.

SENATE ROLL CALL

On this amendment the Minnesota Senators voted as follows:

Shipstead, yea; Schall, yea.

The amendment passed by a vote of 51 to 39.

The next day, June 15, the Steiwer-Cutting amendment was to be taken up in the House. The House met at 10 a.m. Immediately the House recessed for the purpose of holding a Democratic caucus. At 2 p.m. the House was called back and the Steiwer-Cutting amendment was voted upon with no opportunity for debate. The vote of the Minnesota Congressmen on this amendment was:

Yeas: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor), Theodore Christianson (Republican), Harold Knutson (Republican).

Nay: Einar Hoidale.

Not voting: Ray P. Chase (Republican). (Mr. Chase was paired for the amendment.)

The amendment was defeated by a vote of 209 to 177.

THE FINAL VOTE

After the defeat of the Steiwer-Cutting amendment by the House the bill went to conference, and the conference committee reported back a measure approximately the same as the so-called "compromise amendment" adopted by the House when the House voted down the Connally amendment. The only important difference was that in the final compromise plan was included a provision which stated:

Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, any veteran of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, who served 90 days or more, was honorably discharged from the service, is 55 years of age or over, is 50 percent disabled, and in need as defined by the President, shall be paid a pension of not less than $15 a month.

PRESENT STATUS OF CIVIL WAR VETERANS

The pensions of Civil War veterans were reduced 10 percent by the Economy Act, and no change in that cut has been made.

PRESENT STATUS OF SPANISH WAR VETERANS

Spanish War veterans who are over 55 and are 50-percent disabled can be sure of receiving a pension of $15 a month—if they qualify under a pauper clause. That is the protection offered the Spanish War veterans by the independent offices appropriation bill. They may still be dropped from the rolls on July 1 if the Veterans' Administration, after reviewing their cases, decides that their disabilities are not service connected, and those who are kept on the rolls under the provision just quoted must comply with the "pauper clause"—be 50-percent disabled and over 55 years of age.

PRESENT STATUS OF WORLD WAR VETERANS

Presumptive cases

The President is authorized to establish special boards to review the cases of World War veterans who entered the service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, in which presumptive service connection had been granted and payments were being made on March 20, 1933, under the World War Veterans' Act as amended, but in which service connection was not granted by the regulations issued under the Economy Act. Service connection is to be granted if on all available evidence the board determines that a chronic disease became manifest to a degree of 10 percent or more within 1 year after discharge from active service.

Veterans whose cases are to be reviewed in accordance with this provision will be kept on the rolls at a 25-percent

reduction from the amount of compensation they were receiving prior to the passage of the Economy Act, except in cases of "fraud, mistake, or misrepresentation", until the case is reviewed or until October 31, 1933, whichever is the earlier date.

In interpreting the word "mistake", Senator CUTTING, speaking before the Senate Saturday night, June 15, stated:

Anyone who read that section casually would think that those cases would be kept on the rolls unless the board decided that they ought to be removed, and that if the board decided they should stay on they would continue to receive 75 percent of what they are receiving at the present time, but anyone who studies the language and notes the word "mistake" will realize that the Veterans' Administration would be authorized, by virtue of that word, to call up for review any case whatever, on the plea that the doctors who had originally passed on the case had made a mistake * * * It would allow the veterans to be called in by the Veterans' Bureau time and time again; it would allow any board to pass on the medical judgment of men who had made the review at first hand; it would allow them to turn those cases off the rolls altogether.

Directly service-connected cases

The Independent Offices Act provides that "the rates of compensation" payable for directly service-connected disabilities to those veterans who entered the active service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct shall not be reduced more than 25 percent. Senator CUTTING explained this provision in his speech of June 15 by saying that although the rates of compensation could not be reduced more than 25 percent, the cases could be rerated and given lower ratings and the compensation cut in that way.

Therefore—

Said Senator CUTTING—

there is nothing in the House language that places any substantial restriction upon the Veterans' Administration in making drastic cuts in compensation. If we agree to the House language, the Veterans' Administration can proceed in the next 3 months, as they have in the last 3 months, to make such cuts as they wish.

SENATE ROLL CALL

On this final compromise plan, the votes of the Minnesota Senators were as follows:

Schall, nay; Shipstead, nay.

The bill passed by a vote of 45 to 36.

Immediately the measure was brought before the House. The previous question was ordered by the Democratic floor leader, and the vote taken without roll call. The Speaker announced, "The ayes seem to have it", and the bill was passed, appropriating $602,838,000 for the Veterans' Administration, an increase of $96,000,000 over the original estimates under the Economy Act, according to the estimates of the Veterans' Administration, but still over $345,000,000 less than the appropriations made for the Veterans' Administration last year.

Here we have the maximum measure of justice which the first session of the Seventy-third Congress saw fit to give the veterans of America. It is my firm conviction that repeal of the Economy Act should be the aim of every Congressman and Senator who believes himself to be the friend of the veterans—repeal, nothing short of that and nothing less than that. My bill for repeal of the Economy Act was introduced May 2, 1933. I filed a petition to call that bill before the House. It was placed on the Speaker's desk June 13, 1933. It will be on the Speaker's desk the opening day of the next session of Congress. Senator SCHALL introduced a companion bill to this repeal bill on May 29, 1933.

The rumors that we are paying too much money to our veterans are nothing but the results of effective propaganda on the part of the Economy League, which, according to Senator LONG's speech made on the floor of the Senate on June 14, 1933, raised $35,100 for propaganda.

RATES OF COMPENSATION PAID UNDER UNITED STATES EMPLOYEES' COMPENSATION ACT

In many cases we are paying less to the war-scarred veterans of this country than we pay to the civil employees of the United States Government who have been disabled in the employment of the United States. This is shown by some very interesting figures set forth in a speech of Hon. EDITH NOURSE ROGERS in the House of Representatives on Wednesday, May 10, 1933. These figures bring out the following facts:

We recognize that this Government is responsible for the care of its disabled employees who serve their Government at their own free will and receive wages for their work.

At the time of injury, Mrs. ROGERS of Massachusetts pointed out, if a Government employee is totally disabled, 66⅔ percent of his monthly pay is turned over to him as compensation, subject to a maximum compensation rate of $116.66 per month and a minimum rate of $58.33, in which case the injured person is entitled to compensation at the same rate as the regular monthly pay received when working. For partial disability 66⅔ percent of the loss in wage-earning capacity due to the disability is paid, providing the amount paid is not more than $116.66 per month.

Burial expenses not exceeding $200 are allowed. Compare this with the $75 allowed to veterans. And compare the rates of disability compensation allowed to Government employees with the $9 to $90 ratings established under the most recent Executive order for direct service-connected disabled veterans, the men who were sent to Europe to fight a war on foreign ground—under a law of conscription which violated the Constitution of this Government. (See speech of Daniel Webster, War of 1812–14.)

THE SHAME OF JULY 28, 1932

It is time that we make this country safe for the defenders of the flag. In recent years it has not even been safe for veterans to come to Washington and petition those in power for justice. The graves of Hushka and Carlson have become symbols to the veterans of their growing resentment against the Government which drafted them into war. The veterans who came to Washington in May of this year to present their grievances to the Government paused at the graves of Hushka and Carlson, their comrades who were killed in the battle between veterans and District police when the veterans were driven from their camp at Anacostia with fire and gas.

VETERANS' CONVENTION OF 1933

This year these men were advised not to bring their grievances to Washington. When this warning went out advising the veterans to stay away I welcomed them to Washington, and I will do so again. When men have grievances against those in power where shall they turn if not to Uncle Sam? These men came to Washington not with hostility in their hearts but with genuine grievances. They came to assemble together with their comrades from every State in the Union and from Alaska and the Philippines to petition their Congress and their President for redress of wrongs. They came to exercise the constitutional right of peaceful assemblage, and they were advised to stay away. I said then, and I say again, that the officials in Washington can learn more about conditions throughout the country today by listening to the men who are on the verge of destitution every day than they can from private caucuses behind closed doors.

On April 27, 1933, I filed a petition calling the adjustment service certificate bill, H.R. 1, before the House and discharging the Committee on Ways and Means from further consideration of this bill. During this session of Congress 50 Congressmen have signed that petition. It will remain here and be placed on the Speaker's desk again when the next session of the Seventy-third Congress opens, and all Congressmen who want this Government to keep its pledge with the veterans and pay them their bonus in cash will have an opportunity to sign that petition.

CAMP "CINDER LOT"

Before the present administration decided to reverse the policy of the Hoover administration toward the veterans who came to Washington hundreds of men pitched camp across the street from the old House Office Building, on "cinder lot." I had the pleasure of visiting the men there at 1 o'clock one morning. It was the night before they broke camp. There was no noisy demonstration. In fact, if I had not known the men were there I would never have noticed them. But as I walked onto the lot I stumbled against one of them, sleeping. I was amazed at the spectacle they

presented—hundreds of soldiers, not so many years ago the glory and pride of the Nation, sleeping there on an empty cinder lot, unwelcome guests at the Nation's Capital.

Protection from the damp air and ground was necessary. The well-to-do veteran had two newspapers for blankets; one he placed on the ground and the other he used for a cover. The "commoner" had only one newspaper and used it to protect himself from the wet grass. Small campfires were burning and meager rations were being served to some of the men.

ONE ADMINISTRATION LEARNS FROM THE MISTAKES OF ANOTHER

The veterans had decided to come to Washington and exercise their right to assemble and present their grievances, whether they were advised to stay away or not. The fate of the Hoover administration was fresh in everyone's mind, and the present administration decided to reverse the policy of its predecessor. A camp was set up at Fort Hunt, Va. Free transportation was provided by Government busses running from Fort Hunt to Washington. Clean, comfortable quarters were provided to accommodate 10,000 men. There were 3,300 in all registered at the camp. There were orderly rows of tents, equipped with cots and blankets. A huge camp kitchen was set up, with a tennis court for a floor. Good, clean food was served, cooked on 40 field ranges in double rows. A large tent was provided in which the men held their meetings.

The right of peaceful assemblage and petition was recognized. The men were given temporary food, clothing, and shelter, but no adjusted compensation and no satisfactory answer of any kind to their petitions. Instead the majority of them were induced to enlist in the Emergency Conservation Corps at a dollar a day. This offer they accepted because they had no other means of obtaining the necessities of life.

THE GRIEVANCES OF THE VETERANS

The veterans who assembled in Washington in 1933 did more than clamor for bonus checks. These men feel that this Government has no right to place upon them the burden of maintaining the credit of the United States Government. They were willing to sacrifice their lives in time of need, but they are not willing to pay twice for a war which they know now was brought on by the very selfish interests who now seek to cut their pensions and compensations down to nothing. They know now that it was a commercial war. They know there is plenty of money in this country, and they want at least a portion of their share. Their loyalty has been proved. The policy of this Government, in refusing to pay the bonus and in ruthlessly slashing pensions and compensations, has made these millions of veterans restless. There is a growing feeling of resentment and suspicion arising among them. Militant groups of veterans have declared that they would never again vote for a Republican, and now they declare the Democrats are worse. The previous administration refused to give them their bonus, but it took nothing from them which they already had. The resentment expressed by the veterans in Washington this year is growing. It cannot be suppressed by new administrative regulations easing somewhat the hardships imposed by the Economy Act. It is growing and it will continue to grow.

THE FINAL PLEA

The veterans of America are making their final plea to this administration and to the Members of this Congress. If that plea is not heard, these veterans will not sit back and wait for the liberalization of Executive regulations. They have fought before, and they will fight again—not to make the world safe for democracy this time but to make America safe for the veterans, the farmers, the workers. These men know that the time has arrived for them to organize in powerful groups throughout the country. Gentlemen of this House do not realize that powerful organizations are springing up in this country to take the reins of Government from the two major parties. I have communicated with strong organizations of veterans, workers, and farmers throughout the country who are uniting and organizing, who realize that their battle is against a common foe—the mighty Money Trust—and who are going to demand economic and political justice before many more months have passed.

DEMANDS OF THE VETERANS

The veterans assembled here are presenting three demands. They are organizing to put those demands into effect.

First. Immediate cash payment of the adjusted compensation, or bonus.

Second. Repeal of the Economy Act.

Third. Immediate and real relief for the farmers and workers of America.

When these men returned from France they were left to shift for themselves. They could no longer be used for the protection of American capital abroad. Now the selfish interests who are responsible for this panic want to escape the day of reckoning which they have brought upon themselves. But they cannot escape it. These same interests who plunged us into the World War are now shouting economy. Taxes must be lowered! The Budget must be balanced! There was a time when they forgot about balancing the Budget. When they passed a law of conscription and sent these men abroad into a futile war to end war there was no thought then of balancing the Budget. We had to make the world safe for democracy. This is a war on want. This is no time to balance the Budget. It cannot be done with millions upon millions hungry—they and their families out of work. These millions have a Divine right to live. It is time to conscript the wealth of this Nation and make America safe for all her people, by no means forgetting our service men of all wars.

TOMMY

Rudyard Kipling

I went into a public-'ouse to get a pint o' beer,
The publican 'e up an' sez, "We serve no red-coats here."
The girls be'ind the bar they laughed an' giggled fit to die,
I outs into the street again an' to myself sez I:

O it's Tommy this, an' Tommy that, an' "Tommy, go away";
But it's "Thank you, Mister Atkins", when the band begins to play—
The band begins to play, my boys, the band begins to play,
O it's "Thank you, Mister Atkins", when the band begins to play.

I went into a theater as sober as could be,
They gave a drunk civilian room, but 'adn't none for me;
They sent me to the gallery or round the music-'alls,
But when it comes to fightin', Lord! they'll shove me in the stalls!

For it's Tommy this, an' Tommy that, an' "Tommy, wait outside";
But it's "Special train for Atkins" when the trooper's on the tide—
The troopship's on the tide, my boys, the troopship's on the tide,
O it's "Special train for Atkins" when the trooper's on the tide.

Yes, makin' mock o' uniforms that guard you while you sleep
Is cheaper than them uniforms, an' they're starvation cheap;
An' hustlin' drunken sodgers when they're goin' large a bit
Is five times better business than paradin' in full kit.

Then it's Tommy this, an' Tommy that, an' "Tommy, 'ow's yer soul?"
But it's "Thin red line of 'eroes" when the drums begin to roll—
The drums begin to roll, my boys, the drums begin to roll,
O it's "Thin red line of 'eroes" when the drums begin to roll.

We aren't no thin red 'eroes, nor we aren't no blackguards too,
But single men in barricks, most remarkable like you;
An' if sometimes our conduck isn't all your fancy paints,
Why, single men in barricks don't grow into plaster saints.

While it's Tommy this, an' Tommy that, an' "Tommy, fall be'ind",
But it's "Please to walk in front, sir", when there's trouble in the wind—
There's trouble in the wind, my boys, there's trouble in the wind,
O it's "Please to walk in front, sir", when there's trouble in the wind.

You talk o' better food for us, an' schools, an' fires, an' all:
We'll wait for extry rations if you treat us rational.
Don't mess about the cook-room slops, but prove it to our face
The widow's uniform is not the soldier-man's disgrace.

For it's Tommy this, an' Tommy that, an' "Chuck him out, the brute!"
But it's "Saviour of 'is country" when the guns begin to shoot;
An' it's Tommy this, an' Tommy that, an' anything you please;
An' Tommy ain't a bloomin' fool—you bet that Tommy sees!

Mr. JENKINS. Mr. Speaker, ladies and gentlemen of the House, under leave to extend my remarks I wish to discuss the latest legislative developments with reference to the veterans' legislation. I have already on divers occasions discussed orally from the floor this very important question. On May 10 I made what I think was the first speech made in the House calling the attention of the country to the failure of the President and his assistants to administer properly the economy law. Again on June 10, from the floor of the House, while supporting the Connally amendment, I spoke with all the earnestness of my nature against the arbitrary invasion of the rights of Spanish-American War and World War veterans by the President and his assistants.

The day after I made my first speech the President gave out a statement that he would liberalize the regulations under which he was threatening financial ruin to most of the veterans. I do not wish to give the impression that the President issued this statement because of my speech, but rather to show that while I was sensing the feeling of the veterans and the country on this subject the President and his advisers were not far behind me; and in order to anticipate these complaints he, pretended to grant them a favor which was in fact a mere gesture. The passage of the Economy Act was secured under most unusual times. I do not think that our country was ever in such a crisis as it was at that time except possibly when Abraham Lincoln took over the reins of government. The President requested economy and promised justice. He desired that all recipients of Government money reduce the amount they were receiving. This included Congressmen as well as veterans. The bill including these reductions was passed in accordance with his wishes. The President was given power to reduce the veterans' compensation, but the salary of the Government officials and employees was reduced by the law to a certain percentage. The President urged that he be granted this authority. Most Congressmen felt that at that time it might be best to give the President the power that he requested. No one felt that he would abuse this power. No one felt that he would immediately issue regulations that would affront the sense of justice and incite the indignation of any reasonable person. The President's forces crowded the bill through the House without even permitting time for the Membership to read it. Mr. BROWNING, seeking harmony, sought permission to amend it so that all veterans on the rolls would be reduced by 25 percent. I, with others, signified a willingness to assist in the passage of this amendment, but we were denied even a consideration. Our only remedy, then, lay in a motion to recommit the bill back to the committee. Ninety of us stood up in support of this motion, which was lost before the strong phalanx of Democratic votes, the House having a Democratic majority of nearly 3 to 1. If this motion to recommit had passed, this vexatious condition would not now be upon so many of these veterans. The bill was messaged over to the Senate immediately and was considered with some deliberation there, and an amendment suggested by Senator DILL was permitted. The amendment provided as follows:

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 bill further provided a minimum pension of $6. No reasonable person with a desire to do justice would maintain that Congress meant that the pension to be allowed these elderly veterans should be the lowest rate that could possibly be allowed. Yet this was the amount allowed by the President in his regulations. When the President and his advisers were urging the enactment of this law and were promising to deal justly, subsequent events raised a doubt as to whether they were sincere in their motives. Their plan was not disclosed then, but it has been unmasked many times since then, and I propose to prove that they were not sincere. While I doubted the necessity of all this hurry, still I thought the President and his advisers were sincere. But when the President held that under the Dill amendment it was doing justice to the veterans over 62 years of age to cut them from $60 and $72 down to $6, then I knew we had been imposed upon. Then when the President, under the most severe pressure from veterans' organizations, agreed to regulation 12, which by fair interpretation carried much relief to the Spanish War veterans, and then permitted it to be nullified completely in administration, I knew that the President had a deep-seated purpose to cut the veterans' allowances far beyond his declared intention to "deal justly." Wrong and injustice will not prevail. They will not bring real economy. Any program that brings anguish and tears is not as economical as one that brings justice and contentment. Sensing the revulsion of sentiment that was bound to come from this unwarranted injustice to this great group of our citizens, I made bold to sound the alarm in my speech of May 10. The whip of the President cracking over the backs of the Democratic Members of the House and the Senate may drown the clamor of these veterans crying out for the justice they have a right to expect, but this will not be for long. The worm will turn. Justice will prevail. Right will be enthroned.

Truth forever on the scaffold, wrong forever on the throne,—
Yet that scaffold sways the future, and, behind the dim unknown,
Standeth God within the shadows, keeping watch above His own.

The President apparently had regard only to the amount that would be slashed and not to the distress occasioned by the slashes. He did not yield one material point until many Congressmen followed my lead in attacking his unmerciful course. Then he yielded begrudgingly, claiming that before he would yield the Congress would have to find some additional taxes to keep the Budget in balance. He and his advisers were hardly sincere when they made these statements, for under pressure they retreated and made material concessions amounting to about $100,000,000 and did not secure any additional tax legislation. They were determined to heed the behest of the Economy League, which wished to cut the veterans $460,000,000 and thereby save the Economy League and others of this class from paying income taxes in that amount.

I have no patience with the "claptrap" statements put out by those who seek to apologize for the President by saying that he surely did not know of the cruelties enacted by Lewis Douglas, the Director of the Budget, and General Hines, the Director of Veterans' Affairs. I have no argument in defense of those gentlemen, but I know that it is not in line with the truth to heap the blame upon them and relieve the President of all responsibility. No doubt the President was advised privately by practically every leading Democrat in the House and the Senate of these injustices and fought back any suggestion of change of the unjust regulations. A Senator in an address before the Senate represented that he had consulted with the President about this matter fully and that the President had authorized him to carry a message to the Senate setting out his position. This message was pitiful in its childishness and showed that the President did not know much about the subject, but showed further that he was abundantly satisfied with his knowledge and if there were any injustices in his regulations he was not admitting them and was not open to advice on the subject. He took the attitude of one capable of giving advice and not of one who was ready to receive advice.

When the contest grew hot and when the pressure got strong the President—not Douglas and Hines—issued a regulation raising the total amount to be paid totally disabled non-service-connected veterans from $20 to $30 per month. This was done after the famous promise not to raise pensions without raising taxes and that he "would fight it out all summer" before doing so. He did so and did so without securing any additional taxes and before the summer was over. As the fight grew hotter and hotter he gradually retreated. When the Senate passed the Connally amendment carrying a 25-percent reduction in all pensions it did so in order to keep the Senate from passing an amendment carrying a 15-percent cut. The vote was a tie and the tie was broken by Vice President Garner voting with those who were willing to vote for a 25-percent cut in order to pre-

vent an equal number of Senators from passing a bill providing for only a 15-percent cut. Had the Connally amendment been voted upon promptly by the House it would have carried overwhelmingly, but the Democratic caucus appointed a committee which made many pilgrimages to the White House to persuade this "kind-hearted" gentleman to withdraw his regulations and permit more just regulations to be promulgated. No one who has heard the reports by those who attended these numerous conferences can conclude but that the President is the one who issued the regulations and that it was the duty of Douglas and Hines to put into printed regulation what the President ordered. The President ordered and Douglas and Hines carried out the orders. It must have been most humiliating for the members of this committee to pedal back and forth between the President and the Democratic Membership of the House in an effort to get the President to permit them to do what their consciences told them was right. Douglas and Hines did not crack the whip. The whip was wielded by the whipmaster himself, with the result that the Connally amendment was defeated by a few votes and another amendment substituted.

If that committee had been wise enough to have changed the Connally amendment so that nobody could have had any credit for its passage but the President himself, it would have passed easily. When the plan passed by the House was returned to the Senate, it was rejected and the substance of the Connally amendment with other favorable amendments were included in what is now known as the "Steiwer amendment." This amendment passed the Senate by a vote of 51 to 39 after one of the most brilliant debates in the history of the Senate. It was returned to the House amidst great excitement, and would have passed the House by an overwhelming vote, but the President's friends maneuvered an adjournment. The next day a caucus of Democrats was held and the lash was applied unmercifully. Many walked out rather than be humiliated, but many permitted their minds to be supplanted by the mind and will of the President. Many were the exhortations to stand by the Democratic Party and to save the President. Many stultified themselves in order to retain the graces of their leader. Justice and right went out of the window and expediency and patronage came in. The rights of the veterans were pawned for the smiles of the leader. The exchange permitted the "kind-hearted man" to continue to demand that before a Spanish War veteran 55 years of age could get a pension of $10 per month he must swear to a pauper's oath. Mr. Speaker, the price of the exchange was entirely too high! But the worst is yet to come. After the House with its 200 new Members had been whipped into line by the President and its leaders, the bill was then sent to a conference made up of Republicans and Democrats from the Senate and House, a majority of which conferees were Democrats. This conference recommended that the House plan be accepted in preference to the Senate plan, although all of the veterans' organizations in the Nation were demanding the contrary. They were willing to take this 25-percent cut and even more. But the Democratic conferees willfully threw away a chance to benefit the veterans and preferred to accede to the dictates of the President.

After another long and brilliant debate in the Senate there is witnessed a sorry spectacle of personal perfidy. Senators who on Wednesday night, while listening only to the still small voice of conscience, voted for the Steiwer amendment, on Thursday night at almost the same hour, in the same place and before the same audience, voted against identically the same thing that they had voted for only 24 hours previously. What caused the change? Was it the influence of Douglas and Hines? No! No! it was the influence of "the kind-hearted gentleman" who was demanding that in order for a Spanish War veteran with 50-percent disability to get a $10 pension he must swear to a pauper's oath. My friends, let not yourselves be deceived; the President is demanding that the veterans accept a reduction far out of proportion to their dues. Hundreds of thousands of veterans are put off the pension roll and onto the charity roll. Hundreds are put out of their hospital beds in order that boys from the reforestation camps may be put into them.

A great injustice has been done in the name of justice and under the direction of the President. Right will ultimately prevail over wrong. Justice will ultimately supplant injustice. But what will the wronged victim do while right is battling with wrong and justice is contending with injustice? What will the veteran do when his pension or compensation is cut off? I am afraid that none has accurately anticipated this. I did what I could to prevent this untoward situation. The Democratic Party and its leader brought this condition on, and the responsibility is theirs. Responsibility brought on by willfulness is heavier than responsibility that frequently comes in spite of one's best intentions. Let the veterans find hope in the fact that those who by pressure have restored to the pension appropriations many millions of dollars are yet anxious to continue the fight until adequate pensions are restored and until the bitterness and disappointments are again drawn from the veterans' hearts and until they again feel that our great Government will not turn its back on him who bore the brunt of the battle in the heat of the day.

Mr. HASTINGS. Mr. Speaker, the independent offices appropriation bill carries appropriations for the Executive offices and all independent bureaus, boards, commissions, and offices, including the Veterans' Administration, not under the supervision of a Cabinet officer, for the fiscal year ending June 30, 1934. The bill recommends an appropriation of $631,802,546.

It is not my purpose to discuss any of the items of the bill other than those for the Veterans' Administration.

The report submitted shows in detail the amount recommended for each governmental activity, and the hearings explain in detail the purpose for which the amounts are to be expended by the several independent boards, offices, or commissions.

I want to discuss not only the appropriation recommended for the Veterans' Administration, which, as finally reported in the bill, aggregates $631,802,546, including the amount of $8,000,000 added for the expense of retaining regional offices in the field.

The committee allowed all the revised estimates of the Bureau of the Budget for the Veterans' Administration, and in addition added $8,000,000 referred to above for the regional offices.

There has been so much discussion throughout the country with reference to appropriations in behalf of the ex-service men that I want to explain briefly the reduction in the appropriation, how and why it was made, and my attitude toward legislation affecting the ex-service men of the country.

When the new administration assumed control on March 4, 1933, financial chaos was impending. Every financial institution was threatened. Business was paralyzed. Approximately 15,000,000 men and women were out of employment. Many thousands, if not millions, were being fed through private and public charity. A moratorium was proclaimed, and every bank in the country, both large and small, was temporarily closed. No one could safely predict what a day would bring forth. Strong men and women talked in whispers. Every business structure was insecure. Conditions were so extremely critical that Congress was immediately convened in extra session March 9, 1933. The eyes of the Nation were directed to the President. He had been elected by a tremendous majority. He received 472 electoral votes as against 59 for Mr. Hoover, and carried 42 of the 48 States. He received a total popular vote of 22,821,857 to 15,761,841 for Mr. Hoover. In Oklahoma he received 516,468 votes to 188,165 for Mr. Hoover.

President Roosevelt, in his first message to Congress dated March 10, 1933, emphasized the necessity of reducing Government expenditures and the balancing of the Budget as the

first step toward economic recovery, and called attention to the fact that—

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was $462,000,000.

For the fiscal year 1932 it was $2,472,000,000.

For the fiscal year 1933 it will probably exceed $1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed $1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of $5,000,000,000.

The President urged the very greatest necessity for economy. He stated:

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

The President further stated:

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.

Concluding the message, the President stated:

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

As a result of this appeal through the special message of March 10, 1933, the so-called "Economy Act" was enacted by Congress.

In discussing the proposed legislation Mr. McDUFFIE, of Alabama, chairman of the committee reporting the bill, said:

This bill, if enacted, will not be an act on your part to take a dime from a single worthy ex-service man. You are simply placing the responsibility on a great man who is willing to assume it. Your vote for this bill simply shows your willingness and your desire to cooperate with him, believing, as I know you believe, that he meant what he said in his message when he said:

"If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States."

* * * * * * *

It is true this bill grants a great deal of power, but this country is in a state of war—not against a foreign enemy but war against economic evils that demand some sacrifice on your part and mine. The time has come when each of us must sacrifice personal opinions and our own ideas for the common good.

In closing the argument for the bill Majority Leader BYRNS, of Tennessee, made the following statement:

Mr. Speaker, ladies and gentlemen of the House, I have complete confidence in the absolute fairness of the President of the United States and am certain that he will not do any injustice to any class of citizens in this country.

The people by an overwhelming vote have vested the power of leadership in him. I want to appeal to my Democratic friends upon this side of the Chamber particularly and ask them: Are you going to deny to him today the power to discharge the solemn responsibilities which he has assumed and which he holds direct from the people? Are you going to tie his hands in the services he is attempting to perform for the people of this country?

We are facing a serious situation, as the gentleman from New York and others have said, a situation more serious, more critical than even existed in war times.

The people are looking to the President to restore confidence and to bring about a return of normal conditions. It would be unfair to him, it would be unfair to the people whom he is attempting to serve, if we today should deny to him the power that he asks to discharge this great responsibility.

Do not mistake it. This is his bill. It has come from his hand. It is an administration measure. When you vote against it you are voting to handicap the President of the United States in his effort to give the people relief. [Applause.]

We are told that the deficit which will occur in June will amount to over $1,200,000,000, and next year, in 1934, it will be over a billion dollars, making over $5,000,000,000 indebtedness that will occur during the period of 4 years.

My friends, something must be done to relieve your Treasury and to preserve the credit of the Nation. You can only do it by reducing the expenditures of this Government—something that President Roosevelt is seeking to do in this bill.

I hope that my Democratic friends upon this side of the aisle who were elected upon the same ticket with him, and who hold allegiance to the same party to which he belongs and of which he is leader, will not be less loyal to the President today than these gentlemen on the left side of the Chamber who have spoken in behalf of this bill. [Applause.]

I appeal to you in this great emergency to forget any differences you may have, any small or serious objection that you may have to this bill, and subordinate all in your effort to give the President this authority which he asks.

There are features of the bill to which I do not give my whole accord; but, my friends, in this great national emergency I am willing to surrender any differences that I may have, and will do so as quickly as I would if we were actually in a state of warfare. [Applause.]

This is not a time to look for defects. It is a time to get behind our great leader and to follow him and be guided by his judgment, rather than our own, in this critical period. The people are looking to him as their hope for relief, and they are not going to look with favor upon any action which will not uphold his hands. What will the country say if it shall go out to the country that the Congress of the United States is not standing behind the President in his effort? What will they say if it be said that this Congress has failed to give him the support that he has asked? Let us pass this bill by an overwhelming vote. [Applause.]

During the World War I voted for all legislation, much of it drastic, recommended as necessary to win the war, to care for the soldiers, and to bring back our flag in triumph. In this critical emergency when we have an economic war and are fighting a depression world-wide, I feel constrained to give President Roosevelt powers equal to those given President Wilson during the World War.

The bill, as had been requested by the President and prepared under his direction, gave him the authority to prescribe rules and regulations covering pensions and benefits to soldiers and their dependents, to reduce salaries of all Government officials and employees, and to abolish, transfer, or consolidate by Executive order bureaus, commissions, or other Government agencies. Congress gave the President the authority requested to meet the emergency.

The bill is divided into three titles. I shall first briefly examine titles II and III, because I want to discuss title I more at length.

Title II relates to all Government officials and employees, and provides that the President, under certain limitations, may fix their compensation. The salaries of Members of Congress and the allowance for their clerical assistance are reduced by 15 percent. In other words, the salaries of Members of Congress are reduced by $1,500 per year. The several States, counties, and municipalities, in the interest of economy, have in turn reduced the salaries of all employees, including teachers, and have reduced other expenses. Everyone, without exception, is required to make some financial sacrifice. Wages in every line of private employment have been greatly reduced. Millions cannot find employment at any wage.

Title III amends the 1933 Legislative Appropriation Act and authorizes the President, within 2 years, to make Executive orders in the interest of economy and efficiency, as provided in the act, abolishing, consolidating, or transferring bureaus, commissions, or other governmental agencies, provided that such Executive orders shall be submitted to the Congress while in session, and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders. Such orders are in course of preparation and when made will have the effect to further greatly reduce governmental expenditures. Some have been made and were transmitted to Congress.

Title I is entitled "Veterans" and provides the classes under regulations issued by the President and subject to limitations prescribed therein who may be paid pensions and receive domiciliary care where they are suffering from permanent disabilities, tuberculosis, and mental diseases, and for medical hospital treatment for diseases and injuries.

The rules and regulations prescribed for the President and promulgated by him were too drastic, and many cases were brought to the attention of Members of Congress, which showed that there were injustices and inequalities. The President subsequently amended his rules and regulations and to some extent liberalized them.

Congress sought to further correct the abuses in the law and the regulations. The Senate first adopted what is

known as the "Connally amendment", which was the subject of conference between the House and the Senate conferees. The President seriously objected to certain provisions of the Connally amendment which limited the reduction in soldier benefits to a horizontal cut of 25 percent of the amount soldiers, including Spanish-American War and World War soldiers, were receiving on March 20, 1933, when the Economy Act was passed. He earnestly protested the retention on the rolls of the presumptive cases which without proof were presumed to be of service origin under the act of 1924, where the disability occurred prior to January 1, 1925, and insisted that these presumptive cases, of which there were 154,843, should be reviewed by disinterested boards set up for that purpose, with the burden of proof on the Government and giving the ex-service men the benefit of every reasonable doubt and charging the boards with the responsibility of fairly examining not only their files but any additional proof that may be submitted on behalf of ex-service men tending to show their disabilities were of service origin, and until October 31, 1933, all receiving disability compensation under the presumptive provision should continue to draw the same as theretofore, less 25 percent, or until their cases may have been adversely determined by one of these boards.

Second, he objected to payment of disability allowances to non-service-connected cases under the act of July 3, 1930, where the existing disability was not shown to be total and permanent.

Third, he insisted upon a reduction of Spanish American War pensions under the age of 62 years where the disability was not shown to be of service origin.

Fourth, he objected to hospital treatment for non-service-connected cases in excess of the use of the capacity of hospitals owned and operated by the Government and where it would necessitate additional expenses to hospitalize ex-soldiers for treatment of injuries received since their military service and where their disabilities were not of service origin.

The Steiwer-Cutting amendment was offered and adopted as a Senate substitute for the Connally amendment, which was intended to further liberalize and amend the regulations issued by the President with particular reference to Spanish-American War veterans who had not reached the age of 62 years.

The President insisted that his objections were so fundamental he made it known to leaders both of the House and the Senate and to the conferees that if the Steiwer-Cutting or the Connally amendment were added that he would veto the bill.

Anxious to secure legislation amending the Economy Act and liberalizing the rules and regulations promulgated by the President, the House conferees, after conferring with the President, insisted upon the House amendment which retained on the rolls on and after July 1, 1933, approximately 36,325 widows and dependents of ex-service men, provided boards to be set up to hear and pass upon all presumptive cases with the burden of proof on the Government to show that the disability was not of service origin, and to provide for a pension of Spanish-American War veterans over the age of 55 years who are in need and as much as 50 percent disabled without the necessity of showing that their disability is of service origin.

The purpose of the amended legislation except in those cases of ex-service men of the World War who are totally and permanently disabled and Spanish-American War veterans under 62 years of age is to grant a pension to the soldiers of these wars where their disability is of service origin.

The House amendment was strongly supported by many of the leading ex-service men who are Members of Congress, including Hon. WRIGHT PATMAN, of Texas, and Hon. GORDON BROWNING, of Tennessee, who were members of the special committee conferring with the President to secure the most liberal legislation possible for the benefit of soldiers of all wars. They, realizing that additional and further legislation could not be secured, strongly urged the adoption of the House amendment, which, together with the amended regulations issued by the President during the controversy, would increase the benefits to the soldiers in an estimated sum of from $100,000,000 to $150,000,000, which the soldiers would not have received without the House amendment, and if the Senate amendment were added and vetoed would leave the benefits to be received the same as those received under the regulations originally issued and amended under the act of March 20, 1933. The benefits will depend upon sympathetic administration and decisions of the boards.

The pensions of Civil War veterans were reduced 10 percent by the act of March 20, 1933, and they were not disturbed by the amended legislation. The grand total of disbursements for pensions on account of this war to June 30, 1932, was $7,600,321,525.34.

The objection of the Spanish-American War veterans was principally directed to those on the pension rolls under 62 years of age, whose pensions would be either cut off entirely or greatly reduced.

As to the Spanish-American War veterans, the discussion in the Senate was to the effect that on June 30, 1932, pensions were being paid to 196,541 at a cost of approximately $124,000,000 per annum. The number enlisted was given at 280,564, and that of these there were killed in action 498, died of wounds 202, died of disease 5,423, died by accident and other causes 349; total deaths, 6,472; wounded, but not mortally, 2,961.

At the close of the fiscal year 1932 compensation was being paid to 328,658 veterans of the World War for disabilities either directly or presumptively of service origin, and of these 154,843 were presumptive cases. The disbursements for this purpose were $181,900,493.14.

The disability-allowance cases, being those not of service origin under the act of July 3, 1930, on June 30, 1932, numbered 407,584, and for that fiscal year received $75,458,233. Of this class, those permanently and totally disabled will remain on the roll.

The total paid to the World War ex-service men for the fiscal year ending June 30, 1932, both service-presumptive and non-service-connected, was $264,998,613.76.

The total amount appropriated for and disbursed through the Veterans' Administration for all purposes for the fiscal year ending June 30, 1932, including pensions, administrative purposes, hospitalization, and all other expenditures, aggregated $948,799,000.

No one has greater confidence in the wisdom or the patriotism of the President. I am sure of his deep sympathy for the soldiers of all wars; and if in the administration of the bill and the regulations promulgated under it he finds injustices have been done, he will continue to have the courage to correct them. Veterans of all wars may rest assured that he will give earnest consideration to representations made in their behalf by their several organizations. His leadership has challenged the admiration of the entire country and the world. He is a man with lofty purposes and high ideals.

No President has shown a more humane spirit or evidenced a keener interest in relieving the distressed people of our country.

Briefly reviewing the history of this legislation and my attitude toward it, permit me to say an effort was made during the last session of Congress to drastically reduce the compensation and benefits received by the ex-service men of the World War. These drastic reductions were not made for the reason that the hearings then being held but not completed disclosed that the Veterans' Administration was actively reviewing every case on its merits, whether for disability compensation or pension, which was pending before it, with a view of determining whether mistakes had been made in any case in allowing the claim, and whether the amount should be increased or decreased, or the claim disallowed. I insisted that each claim be reviewed on its merits.

Appreciating that the duties devolving upon the President were so great that he must of necessity charge other officials

with the responsibility of preparing the rules and regulations which the bill provided, and knowing the attitude of those who may be charged with this responsibility, in caucus, I supported the Browning amendment to limit the reduction of benefits to ex-service men not to exceed 25 percent. The parliamentary procedure under which the bill was considered in the House would not permit the offering of such an amendment to the bill.

The Veterans' Administration claimed the authority under existing law to review all claims, but the work was not completed. A joint committee appointed to study the question had postponed its report beyond the adjournment of Congress March 4, 1933.

It had been urged in the press, on the stump, in private conversation, and in Congress, that some claims had been allowed which were without merit. I had no objection to permitting the Veterans' Administration in making an investigation of each claim pending before it with a view of correcting any mistake that had been made. I did not then and do not now favor striking the names of ex-service men from the rolls in groups, but think each case should be judged on its own merits. Where the name of an ex-service man is on the roll and disability compensation or pension has been allowed, the burden of proof should be on the Government to show that the claim is excessive or without merit at all.

The ex-service men joined the colors when the war resolution was passed on April 6, 1917. They upheld the fine traditions of our country. They are entitled to sympathetic consideration at the hands of a grateful nation. Every ex-service man who suffered a disability in line of duty and not the result of his own misconduct should receive compensation in proportion to the disability incurred, and in case of death his widow and dependents should be generously cared for by a grateful nation.

Now, as to that large class of claimants under the act of July 3, 1930, and who were granted pensions and generally referred to as non-service-connected, the fact is too frequently overlooked that many thousands of the ex-service men are now disabled and are unable to trace their disabilities to service origin. Upon discharge they were hastily examined and returned home. Soon after entering civil life many felt the strain, became disabled, and were treated by local physicians, without complete records being made, and later many of them broke under the strain.

In my judgment, the disabilities of literally thousands of these splendid men were of service origin, yet they were unable to present medical proof to the satisfaction of and as required by the Veterans' Administration.

Each of these cases should be sympathetically reexamined with the burden of proof on the Government. Lay testimony should be accepted, and if fairly reviewed, there should be no complaint upon the final decision.

As heretofore referred to, there are 154,843 presumptive cases on the rolls. Many of them are suffering from tuberculosis and mental diseases, and I do not believe as to them that Congress intended to repeal these presumptions.

Before any members of a group of this character are stricken from the rolls each individual case should be reexamined, with the burden of proof upon the Government to show that the ex-service man was not entitled to the compensation or pension received and the disability in fact was not of service origin.

Now as to hospitalization, two things should be taken into consideration. First, the splendid services which these ex-service men rendered the Nation, and, second, the depression that has impoverished a very large percentage of the population of our country, including, of course, the ex-service men.

I have always felt, first, that we owed a duty to the veterans to hospitalize the men who had suffered a disability in line of duty, and that to the extent of the capacity of our hospitals we should care for all ex-service men in need of hospitalization, with particular reference to those who are unable, because of financial difficulties, to secure proper hospitalization and treatment. If these men were willing to offer their lives upon the altar of their country and defend our flag, they should be cared for when ill and in financial distress and unable to care for themselves.

In this connection permit me to say that I favored the payment of the balance due on the adjusted-service certificates, first, because I did not feel that the ex-service men had been adequately compensated and the Government would have been only remitting the interest, and, second, the payment of the balance due would have been so widely distributed it would have greatly aided in relieving the depression.

With reference to regional offices: Until every case is reviewed and finally adjusted, regional offices should be maintained in each State accessible to the ex-service men where they can go and contact the officials of the Government, present their claims, be reexamined, and be personally advised as to what additional testimony, if any, is necessary to substantiate their claims.

In most cases the regional offices can and should be combined with the Government hospitals, and in this way they could be maintained with little additional expense. The ex-service men cannot complete their cases through correspondence with the Washington office, which would be necessary if the work of all the regional offices is concentrated here. It should be as much the duty of a Government official to assist the ex-service men in perfecting their claims as it is to protect the Government by reducing or disallowing claims which are not meritorious.

Mr. LOZIER. Mr. Speaker, under a computation made by the Veterans' Administration, it appears that as a result of the compromise veterans' legislation recently enacted by Congress and approved by the President $96,000,000 will be added to allowances for veterans and their dependents in the fiscal year ending June 30, 1934.

Following is a tabulation of the increases in veteran payments required under the compromise, as shown by the latest official schedules for 1934:

Classification:	*Increase*
Disability compensation	$49,662,000
Death compensation	11,130,000
Disability allowances	3,967,000
Spanish (connected)	4,985,000
Spanish (nonservice)	15,157,000
Peace veterans	2,609,000
Hospitalization	8,500,000
Total increases	96,010,000

These are annual increases over what would have been paid under the original economy regulation. I desire to make a brief analysis of these increases, so the public may know what additional compensation each group of veterans will receive as a result of the recent legislative compromise.

First. Veterans of the Civil War and all prior wars received no increase under the compromise, as their pensions were not materially reduced by the Economy Act. Their total payments for 1934 are unchanged and will approximate $76,000,000.

Second. The allowance to so-called "peace veterans", those who were disabled in service rendered after the armistice, was increased from $5,600,000 to $8,281,000, an annual increase of $2,681,000. In addition the widows and other dependents of this group will draw $2,400,000.

Third. Under the compromise the hospitalization budget was raised from $77,273,000 to $85,773,000, an increase of $8,500,000. This increase in the amount allowed for hospitalization was due to relaxing and liberalizing the regulations under which ex-soldiers and sailors may qualify for domiciliary care.

Fourth. Spanish-American War veterans get an additional $20,000,000 as a result of the legislative compromise. This increase to Spanish-American War veterans is distributed as follows:

(a) Those who are pensioned for service-connected disabilities will get $5,000,000 more than they would have received under the economy regulations.

(b) Spanish-American War veterans who are drawing or will draw pensions for disabilities not contracted in the serv-

ice will receive $15,147,000 more than they would have received under the economy regulations. In the aggregate, under the legislative compromise, the payments to Spanish-American War veterans and their dependents were increased from $40,000,000 to $60,000,000 annually.

Fifth. Under the compromise the payment to World War veterans who have disabilities incurred in the service and in line of duty will be increased from $68,610,000 to $118,275,000, an annual increase of $49,664,000. This increase will go to World War veterans whose disabilities have been found to be directly or presumptively incurred in the service.

Sixth. Under the compromise there will be an increase of $11,000,000 in payments for death compensation in cases where the death of the veteran is directly or presumptively due to battle injuries.

Seventh. In disability-allowance cases; that is, cases where payments are made to a veteran on account of disabilities in no way resulting from or connected with his military service, the total under the legislative compromise is increased from $6,173,000 to $10,145,000, an annual increase of $4,028,000 over what would have been paid under the economy regulations.

Now, while the compromise negotiated by the committee of which I am a member did not give the veterans all they demanded, nor all to which I think they are entitled, it does add $96,000,000 annually to their payments, and it seems to me that this is a worth-while sum, much of which would have been lost to the veterans if Congress had rejected this compromise. It would have been an act of supreme folly to reject this $96,000,000 because, forsooth, the veterans believed they were entitled to a much more liberal adjustment.

I am frank to say that we obtained for the veterans $96,000,000 more than I thought would ever be granted when our committee first conferred with the President. But, as we continued our conferences with him, he came to a realization that the cuts made in pensions and compensation allowances were entirely too drastic, and he manifested a liberal and sympathetic attitude toward the veterans at all times during our negotiations.

And may I say that we were dealing with an exceedingly controversial subject on which good and great men and women differ radically; and, like all other controversial and highly explosive questions, a settlement was only possible by a compromise and mutual concession. But this compromise does not foreclose either the veterans or the Government from having this perplexing question reopened and reconsidered at any subsequent session of Congress.

ADJOURNMENT SINE DIE

Mr. BYRNS. Mr. Speaker, I offer the following concurrent resolution and move its adoption.

The Clerk read as follows:

House Concurrent Resolution 24

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Friday, the 16th day of June, 1933, and that when they adjourn on said day they stand adjourned sine die.

The concurrent resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DOUGLASS, indefinitely, on account of illness in family;

To Mr. GAMBRILL, for the day, on account of important business;

To Mrs. NORTON, on account of illness; and

To Mr. ALLEN (at the request of Mr. Goss), indefinitely, on account of death in family.

THE STRUCTURE AND PLANS OF THE FARM CREDIT ADMINISTRATION

Mr. JONES. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an address delivered by Henry Morgenthau, Jr., on the structure and plans of the Farm Credit Administration delivered over the National Broadcasting Co.'s system on June 14, 1933.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Henry Morgenthau, Jr., Governor of the Farm Credit Administration, broadcast from Station WMAL, Washington, D.C., over the National Broadcasting Co.'s network of stations, Wednesday evening, June 14, 1933:

The ANNOUNCER. An Executive order of President Roosevelt recently brought into existence an important new agency of the National Government known as the Farm Credit Administration, which takes over the duties and responsibilities of the Federal Farm Board, the Federal Farm Loan Board, and other agencies of the Government dealing with farm credits. The head of this new agency, Mr. Henry Morgenthau, Jr., has, on several other occasions, addressed the radio audience from this station as Chairman of the Federal Farm Board, and as Governor-designate of the Farm Credit Administration. Tonight, as Governor of the Farm Credit Administration, he is to speak on the Structure and Plans of the Farm Credit Administration. Governor Morgenthau.

Mr. MORGENTHAU. Your announcer has referred to other occasions on which I have made use of opportunities granted to me by the National Broadcasting Co. to explain the work committed to me by President Roosevelt. Immediately after the President had signed the Executive order bringing together the various farm-credit agencies of the Government, I used the radio to outline briefly the reasons for the Executive order and what it was planned to accomplish. Then after the passage of the Emergency Farm Mortgage Act a few weeks ago, I undertook to explain how this act was to be administered and the opportunities for credit relief which it offered to farm debtors. Tonight I am able to tell you something a little more definite about how the whole problem of farm credits will be approached by the Farm Credit Administration in carrying out the plans advanced by the President when he issued his first consolidation order on March 27, 3 weeks after he had assumed office.

I am able to be thus definite since Congress has just passed a new act, the Farm Credit Act of 1933, which supplements the Executive order and sets up the machinery under which we are to operate.

Let me tell you first what the Farm Credit Administration is and what it is not. It is an agency for supervising loans made or to be made to farmers and farm organizations through instrumentalities set up for that purpose by Federal law. Its field is exclusively farm credit. It has nothing to do with loans on city and town homes and it has nothing to do with measures for the control of farm prices and farm surpluses. While as an organization it is new and it operates under a new name, it is not administering any new function of the Government. It has instead taken over and consolidated several agencies heretofore working in the same field. It is the successor to the Federal Farm Board, the Federal Farm Loan Board, the Crop Production Loan Office, and the feed- and seed-loan offices of the Department of Agriculture and to the Agricultural Credit Division of the Reconstruction Finance Corporation, which supervised the work of the Regional Agricultural Credit Corporations.

The Federal Government has been making or supervising loans to farmers of three different kinds. These are:

First, long-time loans on the security of land mortgages.

Second, loans designed to be of comparatively short duration for operating purposes, to be repaid from the proceeds of current production.

Third, loans to cooperative-marketing organizations of farmers to permit them to market the crops of their members in an orderly and efficient way.

The Farm Credit Administration will continue to supervise loans in all three of these classes, but through somewhat different methods and machinery, and it is of these changes that I wish particularly to speak.

The first class of loans I have mentioned have heretofore been made through the Federal land banks, to whose stock the United States Government is now the largest subscriber. Similar loans have been made by joint-stock land banks, which are private institutions under Federal supervision, but by the terms of the new Farm Mortgage Act these banks are expressly forbidden to make any new loans and must therefore continue merely to liquidate their present holdings. The Federal land banks, however, of which there are 12, will continue to do business as they have heretofore except that the supervision of their affairs that has been exercised by the Federal Farm Loan Board is now exercised by the Farm Credit Administration.

The new Farm Mortgage Act very greatly enlarged the resources of the land banks for making new loans. They now hold more than a billion dollars' worth of farm mortgages and they were authorized to issue two billions in new farm-loan bonds, the interest on which is guaranteed by the United States Treasury. These bonds can be exchanged for farm mortgages or they may be sold and the proceeds used either to buy existing mortgages or to make new loans. Where they purchase mortgages for less than the amount due on them, the farmer-borrower has his debt reduced in that amount. For 5 years those whose mortgages are held by the Federal land banks need pay not more than 4½ percent interest and need not make any payments on the principal in

that time. An additional fund of $200,000,000 has been provided for direct loans by which farmers may repurchase farms lost by foreclosure and refund present indebtedness.

The first-mortgage loans of the Federal land banks are made through a cooperative system of farm-loan associations, of which there are nearly 5,000. Each borrower subscribes 5 percent of his loan in stock of such an association. The new Farm Credit Act just passed further strengthens these organizations by removing, as to future loans, the liability for an additional 5 percent assessment in case of heavy defaults and authorizes the land banks themselves to share these losses. It also broadens the definition of a "farmer" so that many not now eligible who operate their farms through tenants may become borrowers.

It is in the two other classes of loans, however, that the act just passed by Congress makes its chief changes. First of these is in the field of production credit. This shorter-term credit heretofore has been supplied or supervised through three different agencies. All will continue to function, but an effort will be made to broaden and strengthen one of the three means of supplying this form of credit, with the hope that it will supplant eventually the other two.

The Regional Agricultural Credit Corporations and the Crop Production Loan Office now lend directly to farmers. The Intermediate Credit Banks rediscount loans made by other lending institutions, including cooperative credit associations of farmers. In the belief that the direct loan is a hazardous and demoralizing form of credit and that the control of credit conditions ought to be, so far as possible, in the farmer's own hands special provision has been made in the Farm Credit Act for giving encouragement to the cooperative method of borrowing.

Heretofore, credit associations of farmers could rediscount through the intermediate credit banks up to about five times their capital, but generally they had to supply all the initial capital themselves. The Farm Credit Act creates a division in the Farm Credit Administration for supplying capital to these associations and supervising their operations, and it makes available a fund of $120,000,000 for this purpose. The fund is to be administered by production credit corporations in each Federal land bank district. The governing authority over these corporations is to be the board of directors of the Federal land bank, which also governs the intermediate credit bank in each district. Provision is made for representation of the credit associations on the board of directors of the land bank.

The credit associations will be samilar to farm-loan associations. Each borrower will subscribe in capital stock 5 percent of his loan and this will be the limit of his liability for loans to his neighbors. The association and its loan committee will have power to pass on any new loans and will indorse the loans for rediscount by the intermediate credit bank. The intermediate credit banks, through the sale to investors of their debentures secured by the collateral pledged with them, have an ample source of capital for indefinite expansion of loans made under this system. The capital supplied by the Government through the production credit corporations will thus be multiplied.

The object of this plan is not merely to open larger sources of production credit to the farmer, but to decrease the cost to him and to give him greater control over it. The same principle is to be applied under the terms of the Farm Credit Act in decentralizing the activities heretofore carried on by the Federal Farm Board. A similar district corporation is to be set up for loans to cooperatives. It will be known in each district as the "Bank for Cooperatives", and it also will be governed by a board of directors identical with the board of the land bank. The cooperative borrowers also will be represented on this board of directors. A portion of the revolving fund of the Federal Farm Board will be made available to each district Bank for Cooperatives. These banks will make loans to cooperatives, either purchasing or selling cooperatives, whose field of operations is local and confined to the land-bank region.

Loans will continue to be made to cooperative farm organizations of national scope. These will be made by an organization to be known as the Central Bank for Cooperatives, which will be set up as a part of the Farm Credit Administration in Washington, D.C. Here again it is planned, instead of making further grants of Government funds, to permit the Central Bank for Cooperatives to rediscount the loans of the regional banks for cooperatives and to sell to investors debentures secured by collateral pledged by the cooperatives.

Substantial changes have been made by the Farm Credit Act in the Agricultural Marketing Act, which created the Federal Farm Board. The President's order abolished stabilization operations, which consisted of buying staple commodities and holding them off the market. These operations cost the Government more than $200,000,000. They have now come to an end. Provisions for crop insurance and loans for purely promotion purposes have been eliminated by the new act and loans to cooperatives have been put on a business basis by the requirement that the interest rate to be charged shall not be less than 3 percent nor more than 6 percent. Under the former wording of the Agricultural Marketing Act, it has been possible to make loans of Government money at a rate as low as one eighth of 1 percent, far less than the Government itself was paying for the money.

Carrying out the terms of the President's order and of the Farm Credit Act, which Congress has just passed, the Farm Credit Administration is being set up in five divisions. As Governor of the Farm Credit Administration I am responsible directly to the President. Under my authority will be five commissioners, each heading a division of the work. These are the Land Bank Division, supervising the land banks and the agents of the land bank commissioner making mortgage loans on farm land; the Intermediate Credit Division, supervising the 12 intermediate credit banks; the Cooperative Bank Division, supervising the central and regional banks for cooperatives, 1 in each of the 12 land-bank districts; the Production Credit Division, having supervision over the 12 production credit corporations, which will supervise and subscribe to the capital stock of production credit associations of farmers; and, finally, the Emergency Credit Division, which will continue, as long as may be found necessary, supervision over the two classes of emergency loans and their collection.

In each of the 12 districts all of these activities will eventually be housed in one location. In each district there will be a general agent of the Farm Credit Administration through whom contact will be made with all branches of the work. There will be an officer in charge of each activity, subject, in the case of the four permanent branches of the work, to the authority of the board of directors in the district.

The records of each of the activities in each district will be available to each one of the others. All applications, for all classes of loans, can be handled without delay by being passed to the proper division. All field agents will have information on all classes of loans and applications. The purpose will be to render prompt and effective service and to eliminate duplication and confusion.

There is one central motive behind the farm-credit legislation that has been enacted in these past 2 months and behind the operations of the Farm Credit Administration. It is to give the farmer a fair chance to meet his obligations and to get out of debt.

PROGRAM OF PRESIDENTIAL ELECTORS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks by including the remarks of Claude Bowers and the proceedings incident to the first meeting in the history of the country of Presidential electors in Washington on March 3, 1933, to participate in the inauguration of the President of the United States, and also to include the remarks of James A. Farley and others at this meeting.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks by including the remarks of Claude Bowers and the proceedings incident to the first meeting in the history of the country of Presidential electors in Washington on March 3, 1933, to participate in the inauguration of the President of the United States, and also to include the remarks of James A. Farley and others at this meeting.

The matter referred to is as follows:

PROGRAM—PRESIDENTIAL ELECTORS

March 3: 6:30 p.m., meeting and dinner, Hotel Willard; 10 p.m., reception to the Governors, Pan American Building.

March 4: 11 a.m., meeting, main Appropriations Committee room, House of Representatives, Capitol; inaugural ceremonies at Capitol; 12:45, inaugural parade from Capitol (cars provided); 4–6 p.m., reception at White House.

March 5: Reception Vice President and Mrs. Garner; 4 p.m., religious exercises, tomb of Woodrow Wilson; address by Josephus Daniels.

PRESIDENTIAL ELECTORS' DINNER, WILLARD HOTEL, MARCH 3, 1933

Program

Invocation.....Right Reverend James E. Freeman, D.D.
Bishop of Washington
Introduction of the chairman.....Michael Francis Doyle
Executive chairman, Electoral Colleges Committee
Opening address.....James A. Farley
Honorary chairman Electoral Colleges Committee
Chairman Democratic National Committee
Announcement of the votes of the Electoral College
Edwin A. Halsey, secretary to the minority,
United States Senate
Patrick J. Haltigan, Reading Clerk,
United States House of Representatives
Address.....Claude G. Bowers
Solo, "America".....John Charles Thomas
Presentation of newly appointed members of the Cabinet
Closing prayer.....Rev. Charles E. Coughlin
Rector, Shrine of the Little Flower, Royal Oak, Mich.

MEETING AND BANQUET OF THE ELECTORAL COLLEGES OF THE UNITED STATES, THIRTY-SEVENTH PRESIDENTIAL ELECTION, HOTEL WILLARD, WASHINGTON, D.C., MARCH 3, 1933, AT 6:30 O'CLOCK

REMARKS OF MICHAEL FRANCIS DOYLE, OF PENNSYLVANIA, CHAIRMAN OF ELECTORAL COLLEGES COMMITTEE

Mr. DOYLE. The first meeting of the Electoral Colleges of the United States, being the Presidential and Vice Presidential electors chosen at the national election on November 8, 1932, will please come to order. We will ask the Right Reverend James A. Freeman to pronounce the invocation.

PRAYER BY THE RIGHT REVEREND JAMES E. FREEMAN, D.D., LL.D., BISHOP OF WASHINGTON

Almighty and most merciful Father, we praise Thy holy name that, through all the changed and changing circumstances of life, Thou hast made and preserved us a nation. In days of shadow, as in days of sunlight, Thy hand has led us. Under Thy directing care we have grown in strength and power. We pray Thee to continue to bless our land with honorable industry, sound learning, and pure manners; to save us from violence, discord, and confusion; from pride, arrogancy, and from every evil way. Deepen our sense of loyalty and devotion to Thee that, through obedience to Thy law, we may show forth Thy praise among the nations of the earth.

We remember before Thee those who in these troublous days have experienced privation and misfortune. Do Thou in Thy mercy ease their burdens and restore to them the blessings of health and happiness. To him who presently shall assume the weighty responsibilities of leadership in the Republic, do Thou vouchsafe wisdom, strength, and courage that he may so guide and direct the large concerns of the Nation that it may continue to fulfill those high and holy designs for which Thou hast created it. In the time of prosperity fill our hearts with thankfulness, and in the day of trouble suffer not our trust in Thee to fail. All of which we ask in the name of Him who for our sakes became poor that we, through His poverty, might be made rich, Thy Son, our Savior, Jesus Christ. Amen.

REMARKS OF MICHAEL FRANCIS DOYLE, EXECUTIVE CHAIRMAN ELECTORAL COLLEGES COMMITTEE

This occasion is indeed a historic one. For the first time since the adoption of the National Constitution by the convention in Philadelphia in 1787 the Presidential electors have met as a body. It is true that this meeting cannot be regarded as an official gathering. It is also true that the Presidential electors chosen by the people of the various States have never met together. This meeting, therefore, is unique in American history. The last national election was the thirty-seventh Presidential election. The old Constitution under which it was held still stands. Our country, however, has grown from the small stretch along the Atlantic coast, crossing a continent with its adjacent islands and with over 125,000,000 inhabitants. In power, in strength, in majesty, it is now the foremost of all nations which comprise the world today. The head of our Nation is chosen by the electoral colleges of the 48 States of the Union. The electors of these colleges are chosen by the people. You are the electors. You have met in the various capitals of your States, you have cast your ballots, and you have selected as the choice of the people as President of the United States to be inaugurated tomorrow Franklin D. Roosevelt, of New York, and as Vice President John N. Garner, of Texas. Your ballots have been forwarded to the Congress of the United States and proclamation has been made of your choice by the Congress to the world. The man of your choice for the great office of President has enunciated his platform for a new deal for the American people. Tomorrow he will announce in his inaugural address the principles of his new administration. It is proper and fitting that you should meet here to participate in his inauguration. You, as the representatives of the people, chosen to select the President and Vice President, will find that Franklin D. Roosevelt will measure up to the high standards which the American people demand and that he will lead our Nation from its present period of distress once more to happiness and prosperity.

It is my pleasure to introduce as presiding officer of this occasion the pilot who guided our party through the campaign and who has achieved the greatest victory ever obtained by the Democratic Party in any national contest, the chairman of the Democratic National Committee, the new Postmaster General of the United States, and who is also an elector from the State of New York, the Honorable James A. Farley.

REMARKS OF CHAIRMAN JAMES A. FARLEY, MADE AT THE DINNER OF THE ELECTORAL COLLEGES OF THE UNITED STATES AT THE WILLARD HOTEL ON THE NIGHT OF MARCH 3, 1933

Members of the electoral colleges, officially you have already performed the high function delegated to you by the majority of the voters in your respective States in the Presidential election of 1932. In conformity with the method provided by the Constitution of the United States and in execution of the will of the Democratic Party expressed in its last national convention, you have cast your electoral ballots for Franklin D. Roosevent for President of the United States and for John N. Garner for Vice President; your action has been canvassed and your choice for these highest offices in our country has been officially promulgated by the Congress of the United States. Tomorrow you will witness the fruition of your action in the inauguration of President Roosevelt and Vice President Garner. Officially you represent the most harmonious political sentiment of the country in more than a century.

Unofficially you now constitute a unique historic gathering, unprecedented in our political history. Although your official existence ended in January last when you cast your electoral ballots, you are now setting a happy and inspiring precedent by assembling in the National Capital to receive the honors and acclaim of your fellow citizens of the Democratic Party and those others who cooperated with it in the last election—the first general meeting of Presidential electors since the adoption of our Constitution.

The usual experience has been in both parties that when the Presidential electors have performed their official function they are soon forgotten by the general electorate. Your presence here as honored guests is additional testimony and assurance that under the incoming administration there are to be no forgotten men. I trust that the precedent established by this large gathering of Democratic Presidential electors, meeting as a body, may be repeated quadrennially for many years to come. I also express the hope and belief that at the next general assemblage of Democratic Presidential electors the sun of a real prosperity will be shining upon our country and that the great principles of our historic party will have taken such a firm hold upon the intelligence and sentiments of the American people that our party, which is most truly representative of all the people, will be indefinitely continued in power to guide the destinies of our country along the lines laid down by the founder of the Democratic Party: "Equal and exact justice to all; special privilege to none."

I greet you and felicitate you upon this history-making gathering.

Ladies and gentlemen, it is with special pleasure that we present to you as the main speaker of this evening one of the most famous orators, authors, and publicists, who is known and admired in every part of our country, Hon. Claude G. Bowers, of New York.

ADDRESS OF HON. CLAUDE G. BOWERS

The breach of promise suit against the outgoing regime has been tried in the court of public opinion, and you gentlemen of the electoral colleges have rendered a verdict in favor of the plaintiff. It more nearly approaches a unanimous verdict than any since the days of James Monroe that ushered in the era of good feeling.

I understand that only the members of the electoral colleges who voted for the victor are here tonight, and that explains the congestion in the room. I once heard a man of ineffable wisdom and spotless virtue say that while he was a friend of untrammeled education he never would stand for anyone on the faculty of the electoral colleges but a Democrat. Well, there are scarcely enough of the other variety this year to create an academic breeze.

I doubt if ever there has been a faculty so united and harmonious as that of the electoral colleges of 1932; and this reflects accurately the determination of vast numbers of Americans of all political affiliations that, in government, there shall be a new deal, and equally, a square deal for every element within the State.

This is an historic occasion.

This is the first time since the formation of the electoral colleges almost a hundred and fifty years ago that their members have been summoned to a national conclave.

This is the first time that they who, under the Constitution, determine the victory have been invited to participate in the festival of the triumph.

This is the first time that they who bestow the scepter of authority have been permitted to follow the favored to his coronation by the people.

When the consummate statesmen of the Constitutional Convention were engaged in the framing of the fundamental law they pondered long upon the method for the choosing of a President.

They decided once to leave the choosing of the President to the Congress, and then they reversed themselves. It was proposed that the election be left to the governors of the various States, but this was rejected. It was suggested that the President be selected by the popular vote of the people, but this ran counter to the deep undercurrent of distrust of democracy which cropped out time and again during the deliberations of the convention.

Finally the electoral system was devised upon the theory that it is best to leave the choice to a comparatively small body of men chosen with a view to their special fitness.

It is interesting to observe that in every instance where the electoral colleges have failed in their function a Democratic idol has been the victim; but we can forgive you this in view of the rare unanimity with which this year you have raised to the seat of power the Democratic idol of the hour.

In the beginning it was provided that each elector should vote for two men, with the understanding that the one having the largest number of votes should be the President and his closest competitor should have the second place. Then in 1800 came the failure, which threatened for a time to destroy the Republic in its infancy.

Because of the consummate political leadership of Thomas Jefferson the Democrats that year not only were mobilized and organized but sternly disciplined to party regularity. A Democratic congressional caucus had nominated Jefferson for President and Aaron Burr for second place. But it turned out that the drillmasters and disciplinarians of the Jeffersonians had builded better—or worse—than they knew. For contrary to expectations and all precedents each Democratic elector voted the straight ticket of the party caucus, resulting in a tie, which threw the contest into the House.

Now, everyone understood that it was the purpose of the people to make Jefferson President; but, inspired by spite and hate, the Federalists entered into a conspiracy to elect Burr instead. Had that conspiracy succeeded, it would have meant the instant disruption of the Union. But it failed, because Alexander Hamilton rose above party spite and subordinating partisanship to patriotism made vehement protest against one of the most infamous conspiracies to set aside the will of the people in American history.

It was that incident which led to the adoption of the twelfth amendment, providing that thereafter each elector should specifically designate both his choice for the first and second place.

A quarter of a century came and went, and in 1824 another Democratic idol, Andrew Jackson, was a candidate for the Presidency. He had a magnificent plurality of the popular vote and of the electoral colleges. But with three statesmen of outstanding merit in the field against him he failed to receive the necessary majority. Again the contest was thrown into the House, again

there was a combination against the choice of the people, and through this combination the will of the people was set aside.

But the effect was to put the fire of battle into the blood of the Jacksonians and set them on the march, regimented and munitioned, and they entered the next campaign with the most compact and powerful organization the Nation yet had known and swept on to victory; and the army that won the fight remained intact and constantly on guard through 8 years of magnificent achievement.

Another 50 years came and went before the election of 1876. We entered the campaign in that centennial year under the leadership of one of the noblest and purest patriots in all our history, Samuel J. Tilden.

He had a clear majority of the popular vote. He had a clear majority of the electoral colleges; but the rule of brutality and bayonets had been so thoroughly established during the period of reconstruction when the South was crucified upon the cross of hate by carpetbaggers and corruptionists that, under the thin disguise of legality, Tilden was robbed of enough electoral votes to deprive him of the Presidency.

But the shock and shame of that treason, together with the realization that a repetition would mean the end of the Republic, had a good effect; for under the pricking of the conscience and the bludgeoning of an outraged public sentiment the bayonets were removed from the throats of the southern people, who resumed their sovereignty as self-governing communities under the protection of a Constitution which for 12 long years had been used as a veritable doormat of the ignorant and the vile.

But, on the whole, Americans may well be proud of the functioning of their institutions through which, peaceably, we may pass from one governing regime to another. Thus a short time ago the issues were drawn, the debate was held, the verdict peaceably was rendered, the result is accepted by the defeated with dignity and good humor, and tomorrow a new regime goes into power with the best wishes of every patriot of every party in the land.

That is a tribute to the functioning of our institutions.

But there is another tribute that may well be paid tonight. For many months we have been in the valley of the shadows of the deepest depression we have ever known. Millions of industrious and self-respecting men have been subjected to humiliations that ought never be imposed on any man who asks for nothing more than the opportunity to earn his bread. There has been suffering and that torture of the spirit which often drives men to desperation and despair.

But through these many months, these millions have been patient and true to their faith in the capacity of our institutions to meet the economic issues upon the solution of which depends the restoration of prosperity. Not once has the spirit of the mob arisen to accentuate the difficulties of the times. All this we knew.

What we did not know was what the reaction of these suffering millions would be in the secrecy of the ballot box. The soil of human misery all through history has been receptive to the seed of subversive and revolutionary doctrines, and we have had men sowing the seed. Our cynics and scoffers have been garrulous in deriding the idea that our political and social systems can meet the needs of humanity.

And yet, despite the suffering and the propaganda, no political party hostile to our institutions made any gains, and the Communists polled a vote so insignificant that it scarcely figured in the reports of the election. Now all that means this—that Americans have determined to hold fast to the institutions that were built with the labor and cemented with the blood of the patriots of a century and a half. They turned, not to the red flag of upheaval, nor to the black flag of tyranny, but to the old flag, in the firm faith that just as it has fluttered over the victories of a hundred battlefields, so, in time, it shall lead us out of the depression.

All honor to the man without a job—he has been the premier patriot of these dark days.

But the attitude of these men calls for something more than praise, it calls for action to justify their faith. And that calls for the unification of men and women of all party affiliations in a determined effort to find the formula on which a renewed prosperity may be built.

In his first inaugural Jefferson thrilled the Nation with the exclamation:

"We are all Federalists; we are all republicans."

And by that he merely meant that we were all Americans.

And, as Americans, we all equally are interested in the revival of business, in the rehabilitation of industry, in the restitution to these jobless men of the jobs of which they have been deprived.

This is a time when men of all parties must stand shoulder to shoulder and march all one way—and that out of the valley and up the hill to the sunshine.

And at the head of the procession, and in command, beginning with tomorrow, will march the leader of the Nation's overwhelming choice.

I may, perhaps, be permitted to suggest some reasons for that choice:

No man in American history ever has waged a cleaner or a braver battle. He met the issues fearlessly; he diagnosed the Nation's diseases accurately; he prescribed remedies courageously where he had found them and promised to continue the search for remedies he had not yet found. Never once did demagogy stain his lips. Not once did he promise the performance of a miracle. He met his political opponents on the high ground of gentlemanly combat and never once did he strike below the belt. You may search his campaign pronouncements from the beginning to the end and you will look in vain for one solitary blunder. It means much to a nation in times like these to have a leader on whose taste and judgment we may rely.

But he did something more—he gave expression to a concept of government that rings true to the political philosophy of Jefferson, Jackson, and Woodrow Wilson. Here, clearly, was a progressive with his feet planted firmly on the bedrock of the Nation's fundamental faith.

And he did something more—he made it clear to all of us that under the intricate and complicated mechanism of our organized society all industries and elements are interdependent and no one can prosper if the others are in ruins.

It was he who reminded us that industry and finance cannot always wear silk if agriculture is reduced to rags.

Thus did he make a profound impression on the Nation by his vision and grasp of the situation and win the confidence of the people in the wisdom and integrity of his purpose.

And now, beginning with tomorrow, he is the Nation's leader—and you gentlemen of the electoral colleges have proclaimed him such.

When little more than 2 weeks ago a madman aimed a shot, not at him but at the organized society he now personifies, along with the horror among all decent men, was a deep feeling of thanksgiving that he had been spared, please God, for some noble purpose.

The courage and composure with which he faced a deadly danger, the instinct for the orderly processes of justice which even in the midst of the excitement bade him order the protection of the assailant from the fury of outraged men, the tenderness and sympathy with which he turned at once to the succor and the comforting of a friend have made a profound impression on the minds and hearts of the people. Courage, composure, fidelity to duty, loyalty to friendship—these are the qualities that already have endeared him to the people and brought home to political friend and foe alike the realization that now he is the Nation's leader and for 4 years at least the Nation's hope.

Now we cannot instantly restore prosperity by the waving of a magic wand. We were some years descending into the valley; we cannot hope to ascend the hill in a day. But under the leadership of a man who is steeped in the noblest traditions of the Republic, endowed with courage and capacity, with vision and penetration, and throughout his life has been inspired with a passionate desire to serve his country and mankind, we can, through our united efforts, not only lift ourselves from the depression but lay the foundation for a sounder, saner, and more permanent prosperity than we have ever known before.

May I not presume therefore to voice not only your prayer but that of all Americans: God save and strengthen Franklin D. Roosevelt in his battles for humanity and country.

Mr. FARLEY. We will now call upon the secretary of the minority of the United States Senate, Edwin A Halsey, and the Reading Clerk of the United States House of Representatives, Patrick J. Haltigan, to announce the returns of the electoral colleges of the States of the Union.

Mr. Halsey and Mr. Haltigan announced the following vote:

States	Electoral votes of each State	For President		For Vice President	
		Franklin D. Roosevelt, of New York	Herbert Hoover, of California	John N. Garner, of Texas	Charles Curtis, of Kansas
Alabama	11	11		11	
Arizona	3	3		3	
Arkansas	9	9		9	
California	22	22		22	
Colorado	6	6		6	
Connecticut	8		8		8
Delaware	3		3		3
Florida	7	7		7	
Georgia	12	12		12	
Idaho	4	4		4	
Illinois	29	29		29	
Indiana	14	14		14	
Iowa	11	11		11	
Kansas	9	9		9	
Kentucky	11	11		11	
Louisiana	10	10		10	
Maine	5		5		5
Maryland	8	8		8	
Massachusetts	17	17		17	
Michigan	19	19		19	
Minnesota	11	11		11	
Mississippi	9	9		9	
Missouri	15	15		15	
Montana	4	4		4	
Nebraska	7	7		7	
Nevada	3	3		3	
New Hampshire	4		4		4
New Jersey	16	16		16	
New Mexico	3	3		3	
New York	47	47		47	
North Carolina	13	13		13	
North Dakota	4	4		4	

States	Electoral votes of each State	For President		For Vice President	
		Franklin D. Roosevelt, of New York	Herbert Hoover, of California	John N. Garner, of Texas	Charles Curtis, of Kansas
Ohio	26	26		26	
Oklahoma	11	11		11	
Oregon	5	5		5	
Pennsylvania	36		36		36
Rhode Island	4	4		4	
South Carolina	8	8		8	
South Dakota	4	4		4	
Tennessee	11	11		11	
Texas	23	23		23	
Utah	4	4		4	
Vermont	3		3		3
Virginia	11	11		11	
Washington	8	8		8	
West Virginia	8	8		8	
Wisconsin	12	12		12	
Wyoming	3	3		3	
Total	531	472	59	472	59

Mr. FARLEY. The closing prayer will be said by the Reverend Charles E. Coughlin, rector of the Shrine of the Little Flower, Royal Oak, Mich.

PRAYER BY REV. CHARLES E. COUGHLIN

Almighty God, we humbly thank You for the many blessings which You have bestowed upon us.

Once more we beseech You to fill the minds of our Nation's officers with wisdom, their hearts with courage, and their souls with the desire, first to serve You and then the people of this Nation.

ELECTORAL COLLEGES OF THE UNITED STATES, THIRTY-SEVENTH PRESIDENTIAL ELECTION

(James A. Farley, honorary chairman; South Trimble, honorary vice chairman; Michael Francis Doyle, executive chairman; and H. Newlin Megill, executive secretary)

PRESIDENTIAL ELECTORS, 1933

Alabama

W. C. Davis, Jasper.
James B. Stanley, Greenville.
H. D. Agnew, Lafayette.
T. E. Bunting, Dothan.
B. H. Cooper, Birmingham.
H. B. Fuller, Montgomery.
Bernard Harwood, Tuscaloosa.
R. E. Jones, Anniston.
W. F. Miller, Tuscumbia.
Y. M. Quinn, Russellville.
L. R. Tucker, Grove Hill.

Arizona

Roy Wayland, Phoenix.
William R. Matthews, Tucson.
John G. Flynn, Bisbee.

Arkansas

John I. Moore, Helena.
C. P. Newton, Little Rock.
Steve Carrigan, Hope.
Claude A. Rankin, Little Rock.
D. L. King, Hardy.
W. S. McGaugh, Siloam Springs.
June P. Wooten, Little Rock.
Charles A. Wall, Lonoke.
Basil Baker, Jonesboro.

California

Mrs. Anne Banning, South Pasadena.
Edward J. Cahill, San Francisco.
John P. Carter, Los Angeles.
P. J. Conklin, Los Angeles.
Charles L. Culbert, Jackson.
R. F. Del Valle, Los Angeles.
Charles O. Dunbar, Santa Rosa.
John T. Gaffey, San Pedro.
Nicola Giulii, Los Angeles.
Peter Haggerty, San Francisco.
Henry E. Harwood, Oakland.
Mrs. Clara L. Heller, San Francisco.
J. Ed. Hughes, Fresno.
W. R. Jacobs, Stockton.
Mattison B. Jones, Los Angeles.
John E. King, Hemet.
John Stevens McGroarty, Los Angeles.
Patrick Francis O'Rourke, San Diego.
Jackson H. Ralston, San Francisco.
Calvin L. Russell, Tulare.
Mrs. Mary Marshall Wiley, Los Angeles.

Colorado

Thomas Annear, Denver.
George E. Cranmer, Denver.
L. C. Paddock, Boulder.
Earl Sabin, La Junta.
M. O. Shivers, Colorado Springs.
Mrs. Robert W. Speer, Denver.

Connecticut

Rollin U. Tyler, Haddam.
Joseph H. Lawler, West Hartford.
Edward T. Buckingham, Bridgeport.
Thomas J. Smith, New Britain.
Thomas H. Beck, Wilton.
C. J. Satti, New London.
Elisabeth W. Morris, Newtown.
Louise Duffy, West Hartford.

Delaware

Hugh M. Morris, Wilmington.
John B. Hutton, Dover.
Willard F. Deputy, Laurel.

Florida

Willard W. Ayers, Gainesville.
George M. Dorman, Jacksonville.
William Fairbanks, Gainesville.
Herbert William Fishler, Fernandina.
W. B. Lanier, Tampa.
G. T. McClellan, Frink.
Hugh C. Sparkman, Daytona Beach.

Georgia

H. P. Smith, Reidsville.
W. J. Crowe, Sylvester.
Mrs. Nora L. Smith, Ashburn.
N. F. Culpepper, Greenville.
John W. Weeks, Decatur.
Charles J. Bloch, Macon.
Newt Morris, Marietta.
DeWitt Roberts, Valdosta.
Mrs. Mary Jarrett White, Toccoa.
Hugh J. Roe, Athens.
Mrs. Edgar Alexander, Atlanta.

Idaho

H. G. Harris, St. Anthony.
L. L. Burtenshaw, Council.
Frank Martin, Boise.
G. P. Mix, Moscow.

Illinois

Martin Durkin, Chicago.
C. N. Hollerich, Spring Valley.
Mrs. W. S. Hefferan, Chicago.
Alexander Wilson, Cairo.
George O'Connell, Chicago.
William Powers, Chicago.
Judge John J. Sullivan, Chicago.
Patrick McGuire, Chicago.
Moe Rosenberg, Chicago.
John A. Cervenka, Chicago.
Harry Kohl, Chicago.
James Ryan, Chicago.
Joseph L. Gill, Chicago.
Clarence Goodwin, Lake Forest.
John A. Logan, Elgin.
Walter K. Scherer, Ottawa.
William Steel, Dixon.
Marx M. Harder, Rock Island.
Robert F. Rennie, Canton.
Michael Fahy, Toluca.
C. S. Schneider, Paxton.
J. H. Elliott, Danville.
A. L. Yantis, Shelbyville.
Edward F. Cullinane, Havana.
S. P. Preston, Gillespie.
Judge W. A. Trares, Edwardsville.
David L. Wright, Effingham.
Ben F. Wineland, Flora.
W. B. Johnson, Benton.

Indiana

Albert P. Lesniak, East Chicago.
Charles W. Anglin, Warsaw.
Edward D. Logan, Goshen.
Sol Henoch, Ligonier.
Ned Phelps, Kokomo.
Ernest R. Stewart, Lebanon.
Frank Finney, Martinsville.
Herbert Leffel, Mount Vernon.
Mrs. Ethel Cummings, Brownstown.
John Gubbins, Muncie.
Albert Gisler, Indianapolis.
Evans Wollen, Sr., Indianapolis.
John W. Spenser, Evansville.
LeRoy R. Keach, Indianapolis.

Iowa

Thomas J. Walsh, Davenport, Scott County.
G. W. McFarland, O'Brien County.

F. E. Smith, Washington County.
A. L. Schuyler, Clinton County.
Mrs. W. T. Dooley, Marshall County.
R. G. Mitchell, Worth County.
W. B. Perkins, Wayne County.
Earnest Marshall, Warren County.
G. K. Swift, Shelby County.
Douglas Rogers, Carroll County.
J. A. Gartland, Sioux County.

Kansas

Aline K. Algie, Clay Center.
Ancil F. Hatten, Westphalia.
Harry D. Hover, Eureka.
E. B. Nelson, Longton.
S. E. Notestine, Burdett.
Charles Riseley, Stockton.
John I. Saunders, Cheney.
Gene Sullivan, Atchison.
Thomas J. Sweeney, Lawrence.

Kentucky

W. R. Hazelwood, Bardwell.
Wilbur K. Miller, Owensboro.
B. M. Vincent, Brownsville.
J. R. Layman, Elizabethtown.
Shackelford Miller, Jr., Louisville.
R. L. Westover, Williamstown.
W. O. Dawson (W.L.), La Grange.
D. M. M. Phillips, Crab Orchard.
Ervine Turner, Jackson.
W. R. Smith, Hindman.
Gregory Bruce, Middlesboro.

Louisiana

Clarence Pierson, Alexandria.
J. C. Heard, Mansfield.
Joseph P. Skelly, New Orleans.
Thomas A. McConnell, New Orleans.
Wade O. Martin, St. Martinsville.
Harold DeGeneres, Shreveport.
L. U. Babin, Baton Rouge.
John W. Summerlin, Rayville.
Parrish Fuller, Oakdale.
R. W. Oglesby, Winnfield.

Maine

John Clark Scates, Westbrook.
Alton Bartlett, Hanover.
Ralph Cooper, Belfast.
J. Edward Sullivan, Bangor.
Elisha W. Pike, Rockland.

Maryland

Frank A. Furst, Baltimore.
Emerson C. Harrington, Cambridge.
James F. Evans, Elkton.
Stuart S. Janney, Baltimore.
John C. Mencke, Baltimore.
Charles T. Williams, Baltimore.
John W. Leitch, Huntingtontown.
Oliver H. Bruce, Jr., Cumberland.

Massachusetts

John F. Fitzgerald, Dorchester.
Mare E. Lucey, Holyoke.
Justus G. Hanson, Northampton.
J. Henry Goguen, Leominster.
Harold D. Donohue, Worcester.
Cornelius F. Cornin, Lowell.
Mary A. Doyle, Salem.
Charles F. Cotter, Lynn.
Joseph J. Borgatti, Somerville.
Patrick J. Duane, Waltham.
Leopold M. Goulston, Boston.
Stanley W. Wisnioski, Chelsea.
Mildred C. Keane, Dorchester.
Arthur A. Hendrick, Brockton.
Grace H. Howe, Fall River.
Mary E. Egan, New Bedford.

Michigan

George W. Weadock, Saginaw.
Charles H. Kimmerle, Cassopolis.
Leonard Jurkiewiez, Detroit.
Justin Whiting, Jackson.
Guy B. Stone, Hillsdale.
Cassius M. Dewey, Sturgis.
William J. Pulte, Grand Rapids.
H. W. Rikerd, Lansing.
Thomas E. Roberts, Sandusky.
Harvey E. Kidder, Ionia.
Henry W. Miltner, Cadillac.
H. A. Chamberlain, Standish.
William L. McManus, Jr., Petoskey.
J. C. Wiskstrom, Norway.
Thomas A. E. Weadock, Detroit.
John W. Anderson, Detroit.
Louis W. McClear, Detroit.
Miss Elizabeth Stellwagen, Wayne.
William Miller, Ferndale.

Minnesota

George P. Jones, Bemidji.
Henry McConnon, Winona.
August Saggau, Ceylon.
Dr. E. E. Novak, New Prague.
T. B. Wilson, Minneapolis.
Martin J. McGowan, Appleton.
Patrick E. McCormack, Duluth.
R. N. Nelson, Breckenridge.
Albert Westrup, Maple Lake.
P. D. Scannell, St. Paul.
J. C. Lenihan, St. Paul.

Mississippi

W. H. Powell, Canton.
M. Ney Williams, Raymond.
E. S. Candler, Corinth.
Mrs. Hermain Dinkins Walker, Senatobia.
William M. Maynard, Clarksdale.
A. T. Patterson, Calhoun City.
C. E. Johnson, Union.
Mrs. A. B. Schauber, Laurel.
Dr. D. T. Brock, McComb.

Missouri

Samuel J. Ross, Lancaster.
Bart M. Lockwood, St. Joseph.
Henry Chiles, Lexington.
Floyd E. Jacobs, Kansas City.
Homer J. Clark, Harrisonville.
Franc L. McCluer, Fulton.
F. P. Berglar, Clayton.
Oliver F. Ash, St. Louis.
Michael Cullinane, St. Louis.
Ray R. Dolan, St. Louis.
N. W. Brickey, Festus.
James A. Boone, Charleston.
A. J. Hawkins, Eminence.
John S. Farrington, Springfield.
Wiley W. Scholes, Granby.

Montana

Guy C. Derry, Billings.
Thomas Dignan, Glasgow.
Mrs. Otto Simonson, Butte.
B. C. White, Buffalo.

Nebraska

Mrs. Effie M. Byers, Hastings.
J. E. Lawrence, Lincoln.
H. E. Newbranch, Omaha.
Judge James C. Quigley, Valentine.
Judge William C. Cowan, Stanton.
Frank M. Colfer, McCook.
Mrs. Mary B. Farrell, Schuyler.

Nevada

Ed. W. Clark, Las Vegas.
Frances Friedhoff, Yerington.
A. W. Hesson, Elko.

New Hampshire

Iva H. Drew, Colebrook.
George D. Lord, Hanover.
George W. Nutter, Rollinsford.
John T. O'Dowd, Manchester.

New Jersey

John Milton (at large), Jersey City.
John F. Monahan (at large), Newark.
Harry L. Maloney, Mount Ephraim.
Louis A. Repetto (deceased Mar. 8, 1933), Atlantic City.
Amos E. Kraybille, Asbury Park.
George B. LaBarre, Trenton.
Frank Dorsey, Perth Amboy.
Robert H. McAdams, Elizabeth.
Charles S. Gardner, Washington.
Andrew F. McBride, Paterson.
Peter F. Daley, North Bergen.
George A. Ohl, Jr., Newark.
William M. Untermann, Newark.
Charles Ippolito, Orange.
James F. Norton, Jersey City.
Mary E. Burns, Jersey City.

New Mexico

Carl A. Hatch, Clovis.
Mrs. J. L. LaDriere, Las Vegas.
Enrique Trujillo, Chico.

New York

John F. Curry, New York City.
John H. McCooey, Brooklyn.
James A. Farley, New York City.
Herman B. Baruch, New York City.
Charles J. Hardy, Hampton Bays.
Nathan Jonas, Great Neck.

Edward J. Kerwin, Brooklyn.
Clifton Bogardus, Brooklyn.
Joseph J. O'Brien, Brooklyn.
Bernard Turecaino, Brooklyn.
Rudolph Reimer, Brooklyn.
Howard E. Jones, Brooklyn.
Allice Campbell Good, Brooklyn.
Hyman Schorenstein, Brooklyn.
Albert C. Fach, Staten Island.
Harriet May Mills, Syracuse.
Nathan Hirsch, New York City.
George E. Olvany, New York City.
Morgan J. O'Brien, Sr., New York City.
Robert E. Dowling, New York City.
Martha Battle, New York City.
Godfrey Nurse, New York City.
Nathan Burkan, New York City.
Mary A. Paladino, New York City.
Thomas J. McMahon, New York City.
Edward J. Flynn, New York City.
John J. Duffy, New York City.
Walter G. C. Otto, New Rochelle.
Aloysius J. Bryant, Nyack.
Henry L. A. Forestal, Beacon.
M. Edward Silberstein, Catskill.
Seymour Van Stantvoord, Troy.
Arthur J. Leonard, Saratoga Springs.
George B. Smith, Schenectady.
Daniel S. Foster, Saranac Lake.
Delos M. Cosgrove, Watertown.
Albert R. Kessinger, Rome.
Jesse Jacobs, Oxford.
William J. Gannon, Syracuse.
William O. Dapping, Auburn.
John Reamer, Ithaca.
Thomas N. Nagle, Webster.
John B. Abbott, Geneseo.
Frederick H. Drull, Niagara Falls.
Harriet T. Mack, Buffalo.
Harry Yates, Orchard Park.
Michael C. O'Laughlin, Fredonia.

North Carolina

J. Crawford Biggs, Raleigh.
A. Hall Johnston, Asheville.
Thad Eure, Winton.
E. R. Tyler, Roxobel.
W. W. Pearsall, Rocky Point.
Harold D. Cooley, Nashville.
Fred S. Hutchins, Winston-Salem.
Cooper A. Hall, Burlington.
D. M. Stringfield, Fayetteville.
Rowland S. Pruett, Wadesboro.
B. F. Williams, Lenoir.
John A. McRae, Charlotte.
Phillip C. Cocke, Asheville.

North Dakota

Pierce Blewett, Jamestown.
P. H. Costello, Cooperstown.
W. D. Lynch, LaMoure.
W. H. Porter, Calvin.

Ohio

Josephine McGowan, Canton.
Blanche W. Johnson, Cambridge.
Fred J. Heer, Columbus.
T. E. Dye, Urbana.
Alfred M. Cohen, Cincinnati.
I. N. Price, Cincinnati.
William E. Murphy, Eaton.
Lafe W. Kunning, Wapakoneta.
George Geer, Wauseon.
George E. Hentz, Peebles.
Bruce B. Gaumer, Marysville.
Allen Patterson, Findlay.
Edward J. Barry, Toledo.
D. A. Rardin, Athens.
Clayton A. McCleary, Columbus.
T. D. Krinn, Circleville.
Judge Arthur E. Rowler, Norwalk.
Don L. Bing, Columbus.
Richard Jones, Eagleport.
John T. Blake, Canton.
Columbus Ewalt, Mount Vernon.
George J. Duswald, Scio.
Manus W. McCaffery, Cleveland.
Rose L. Tenesy, Cleveland.
Lockwood Thompson, Cleveland.

Oklahoma

Bess Stubblefield, Vinita.
R. M. Mountcastle, Muskogee.
Robert L. Kidd, Poteau.
T. G. Ramsey, Coalgate.
Jess L. Pullen, Sulphur.
Amil H. Japp, Lawton.
Frances J. Hawks, Clinton.
Blanche Lucas, Ponca City.
W. S. Livingston, Seminole.
J. B. A. Robertson, Oklahoma City.
Mary M. Allen, Leedey.

Oregon

Amanda J. Hart, Clackamas County.
E. T. Hedlund, Multnomah County.
Robert A. Miller, Multnomah County.
Will M. Peterson, Umatilla County.
R. R. Turner, Polk County.

Pennsylvania

M. L. Benedum, Pittsburgh.
Ella L. Browning, Boxwood, Rosemont.
Charles E. Menger, Philadelphia.
Michael Francis Doyle, Philadelphia.
Charles S. Hill, Philadelphia.
William J. O'Rourke, Philadelphia.
Charles A. Hild, Philadelphia.
John J. McQuaid, Philadelphia.
Harry E. Connelly, Philadelphia.
Frank B. Rhodes, Media.
Joseph F. Yheulon, Allentown.
J. Hale Steinman, Lancaster.
Frank P. Kelly, Carbondale.
William H. Gillespie, Pittston.
Edward C. Kantner, Pine Grove.
John B. Stevens, Reading.
Simon K. Hoffman, Danville.
George B. M. Metzger, Williamsport.
James J. Kane, Norristown.
Oscar D. Deckard, Richfield.
Charles S. Donough, Lebanon.
S. E. Walker, Warren.
Horace DeY. Lentz, Mauch Chunk.
Robert E. Glenn, Red Lion.
Robert F. Hunter, Bellefonte.
Joseph F. Reich, Meyersdale.
Samuel A. Barnum, California.
Charles E. Ketterer, Ellwood City.
A. H. Swope, Johnstown.
Eleanor Head Lynch Ballyduff, Greensburg.
Henry E. Fish, Erie.
Joseph F. Guffey, Pittsburgh.
Henry Hornbostel, Pittsburgh.
Herman Obernauer, Pittsburgh.
George H. Selzer, Coraopolis.
John J. Haughey, McKeesport.

Rhode Island

Walter F. Fitzpatrick, Providence.
Frank E. Fitzsimmons, Lonsdale.
Luigi Maiello, Providence.
Edouard S. Lafayette, Woonsocket.

South Carolina

Willie Jones, Columbia.
Claud N. Sapp, Columbia.
H. K. Townes, Greenville.
Joseph Maybank, Charleston.
G. A. Neuffer, Abbeville.
J. D. Poag, Greenville.
Paul Hemphill, Chester.
J. W. Perrin, Florence.

South Dakota

L. E. Corey, Wagner.
Mrs. Arthur Watwood, Aberdeen.
Will A. Wells, Webster.
Henry Brown, Scotland.

Tennessee

H. C. Anderson, Jackson.
Charles M. Bryan, Memphis.
R. E. L. Gallimore, Dresden.
William T. Jones, Nashville.
W. T. Kennerly, Knoxville.
James N. McCord, Lewisburg.
Edward T. Nance, Shelbyville.
Joe F. Odle, Camden.
Claude B. Stephenson, Centerville.
Frank Stokely, Del Rio.
John S. Wrinkle, Chattanooga.

Texas

Albert Sidney Johnson, Dallas.
Charles I. Francis, Wichita Falls.
Dan Gentry, Tyler.
Mrs. John E. Shelton, Sr., Austin.
Mrs. John Davis, Dallas.
R. T. Wilkinson, Jr., Mount Vernon.
E. J. Mantooth, Lufkin.
Carl L. Estes, Tyler.
J. W. Purcell, McKinney.
Charles McCombs, Dallas.
Scott Reed, Groesbeck.
Mrs. Charles J. Stubbs, Galveston.
John T. Dickson, Paris.
J. V. Frnka, Columbus.
Ralph Goeth, Austin.

E. C. Street, Waco.
Frank Rawlings, Fort Worth.
R. J. Edwards, Denton.
Arthur Seeligson, San Antonio.
H. P. Hornby, Uvalde.
Milburn McCarty, Eastland.
N. C. Outlaw.

Utah

Mrs. Clarence C. Neslen, Salt Lake City.
Mrs. Frank A. Drury, Helper.
Mrs. W. S. Greenwood, Richfield.
John F. Welsh, Park City.

Vermont

Stephen M. Driscoll, St. Albans City.
Grace B. Witters, St. Johnsbury.
James E. Burke, Burlington.

Virginia

Ashton Dovell, Williamsburg.
Wilbur C. Hall, Leesburg.
Robert O. Norris, Lively.
Daniel Coleman, Norfolk.
Frederick W. Scott, Richmond.
F. C. Bedinger, Boydton.
Maitland Bustard, Danville.
Robert A. Russell, Rustburg.
Frank M. Wray, Berryville.
Charles C. Carlin, Jr., Alexandria.
William H. Rouse, Bristol.

Washington

William J. Lindeberg, Spokane.
Paul A. Newman, Tacoma.
Henry S. Volkmar, Seattle.
Eldrige Wheeler, Montesano.
H. C. Davis, Yakima.
Nella W. Hurd, Seattle.
Ben Spear, Spokane.
D. N. Judson, Oak Harbor.

West Virginia

William L. Brice, Wheeling.
J. Alfred Taylor, Fayetteville.
H. H. Rose, Fairmont.
Minter L. Wilson, Morgantown.
W. Guy Tetrick, Clarksburg.
Clyde A. Wellman, Huntington.
George W. Crawford, Williamson.
J. L. Bumgardner, Beckley.

Wisconsin

William P. Rubin, Milwaukee.
Leo P. Fox, Chilton.
Peter Pirsch, Kenosha.
B. J. Husting, Mayville.
A. H. Schubert, La Crosse.
Anton P. Gawronski, West Allis.
William J. McCauley, Milwaukee.
Frank W. Bucklin, West Bend.
L. M. Nash, Wisconsin Rapids.
Lewis Nelson Kaukauna.
Ferris White, River Falls.
Fred W. Kellar, Mellon.

Wyoming

Mrs. Susan J. Quealy, Kemmerer.
John L. Jordan, Cheyenne.
Thomas J. Cassidy, Gillette.

COPY OF RESOLUTION ADOPTED AT MEETING OF PRESIDENTIAL ELECTORS, IN THE RECEPTION ROOM OF THE VICE PRESIDENT OF THE UNITED STATES, CAPITOL, WASHINGTON, ON MARCH 5, 1933, FOLLOWING THE RECEPTION BY VICE PRESIDENT AND MRS. GARNER

No. 1

Resolved, By the Presidential electors of the United States of the thirty-seventh Presidential election:

Whereas it will be necessary to pass an act of Congress for the purpose of amending the existing laws to be in accord with the twentieth amendment to the Constitution; and

Whereas it is the belief that the votes of the several electoral colleges of the States should be delivered by electors chosen from each State in addition to the present means under the law; and

Whereas we believe that the Presidential electors should hereafter have an official part in the inaugural of the President and Vice President of the United States, and should assist in preparing the program for said inauguration: Therefore be it

Resolved, That a committee of nine be appointed by the chairman of this meeting, which committee may be increased at the discretion of the chairman, for the purpose of assisting in the preparation of legislation to carry out the purpose and intent of this meeting as herein expressed, and appear before the proper committees of Congress to advocate the same.

Resolved further, That the said committee shall maintain its continuity and remain in existence until the organization of the Presidential electors of the next general election, and assist, if desired, in the organization of that body.

Resolved, That Michael Francis Doyle, of Pennsylvania, be made chairman of this committee.

The resolution was unanimously adopted.

No. 2

Whereas the first meeting of the Presidential electors in Washington to participate in the inauguration of a President in the history of the country is about to be concluded; and

Whereas the loyal and earnest cooperation of the following committee has made this event one of the most outstanding of the inauguration: Therefore be it

Resolved, That the 331 electors assembled hereby express our sincerest thanks and appreciation to: Michael Francis Doyle, of Pennsylvania, who suggested the meeting and headed the committee which carried out the plans; H. Newlin Megill, of Maryland; John J. Doyle, Jr., Philadelphia, Pennsylvania; Miss Mary E. Lile, Tennessee; Miss Besse D. Howard, of Philadelphia; and Miss K. C. Blackburne, of New York, for our splendid welcome during the inauguration of President Franklin D. Roosevelt and Vice President John Nance Garner.

WILSON'S IDEALS NEEDED TODAY

(Address by Josephus Daniels at the exercises held under the auspices of the Presidential electors at the tomb of Woodrow Wilson, Washington Cathedral, Washington, D.C., on Sunday afternoon, Mar. 5, 1933)

Under this stone lies all that is mortal of Woodrow Wilson. It is dust. But there is more than dust here. There is the eternal life of an ideal. Not the man but the spirit that the man was has brought us here. We have come up to this hilltop and to this quiet chamber to capture again if we can something of his teaching, something of his courage and faith to guide us in a period of uncertain drifting and certain doubt. We come here hungry for some portion of the high vision of Woodrow Wilson.

Here in this room of shadow and quietness we may stand for a little while apart from the crisis that faces the world at the foot of this hill, and at the same time take new strength from the spirit of the man who in every crisis—and he met the greatest which shook the world—never hesitated to propose the way of solution nor in every period of distress to offer the remedy essential to restoration.

Does America stand today looking for the safe path to follow to regain the heights of the days of Woodrow Wilson? Do its people grope in darkness for a light for their feet? Do they yearn for confidence and a return to security? Do they look through a glass darkly for light? Do they come distracted from distracted councils? If so, here at the tomb of the greatest prophet of our times and the supreme optimist of our history, they can find the way by following in the footsteps of the noble war President, himself the greatest casualty of that conflict.

First of all we must rid ourselves of the notion that all the calamities that have befallen us have grown from the war in which he led us. Certainly it was a struggle, entered with consideration of its consequences, which took its toll of our best manhood and levied money burdens grievous to bear. But war had little to do with the debacle that has since broken our hopes and destroyed our prosperity. It was not America's consecrated use of the sword that brought us to the ills we bear today. It was the failure after the war to keep faith with the "indomitable spirit and ungrudging sacrifice of our incomparable soldiers" which lies at the bottom of our troubles.

When Mr. Wilson returned from Paris with the covenant of peace the Nation was weary of war and ready not only to put down the sword but also to be lulled into laying aside the high conscience with which the sword had been lifted. It was more pleasant to listen to the promises that if this country would refrain from alliance or association with other nations we could stand apart and reap unheard of material gain. This Midas touch to the American heart made us for a time oblivious "to the proud recollection that it was our precept and example which had in those early days of the never-to-be-forgotten November lifted the nations of the world to the lofty levels of vision and achievement upon which the great war for democracy and right was fought and won."

In the growth of this material spirit, he saw not only the immediate defeat of his own ideals. He looked forward like a prophet to the catastrophe it must certainly bring even upon the material-minded world. Ten years ago he wrote and pointed "The Road Away From Revolution", the road away from the economic collapse which now engulfs us. The world he said had been made safe from the assault upon democracy of an insolent and ignorant Hohenzollern, but democracy remained to be made safe from the insolent and ignorant capitalists who "seemed to regard the men whom they used as mere instruments of profit."

"The nature of men and of organized society", he said 10 years ago, "dictates the maintenance in every field of action of justice and of right dealing; and it is essential to efficacious thinking in this critical matter that we should not entertain a narrow or technical conception of justice. By justice the lawyer generally means the prompt, fair, and open application of impartial rules; but we call ours a Christian civilization, and a Christian conception of justice must be much higher. It must include sympathy and helpfulness and a willingness to forego self-interest in order to promote the welfare, happiness, and contentment of others and

of the community as a whole. This is what our age is blindly feeling in its reaction against what it deems the too great selfishness of the capitalistic system."

We can look back today and see that here was prophecy and we can look back and see, too, that it was received by a world bent upon material gain with no more consideration than is usually accorded to prophets. The blind, the insolent, and ignorant selfishness which had succeeded the idealism of the war rushed on without hesitation to its own ruin.

Is it surprising that the great man who lies here should have cried on the eve of Armistice Day 1923, when he saw this dark future, that "the stimulating memories of that happy time of triumph are marred and embittered for us by the shameful fact that when the victory was won we turned our backs on our associates, refused to bear any responsible part in the administration of peace on the firm and permanent establishment of the results of war won at so fearful a cost of life and treasure, and withdrew into a sullen and selfish isolation which is deeply ignoble because manifestly dishonorable"?

He would not have been the Woodrow Wilson we honor if he had not cried out his indignation at this betrayal of the world. But his was not a spirit long to be fettered by bitterness and hopelessness. From them he came to a serene faith in the victory of his ideals. To the crowd of friends gathered on the same Armistice Day before his residence he said, "I am not one of those that have the least anxiety about the triumph of the principles I have stood for. That we shall prevail is as sure as that God reigns." That assurance gave him joy in his last days.

On the occasion of my last visit to my beloved chief I spoke my own bitterness that the American people had forgotten the sacred promises of 1917 and 1918. Mr. Wilson laid his good hand on my arm and said, "Do not trouble about the things we have fought for. They are sure to prevail. They are only delayed." Then, with the quaintness of expression which gave charm to all he said, he added, "And I will make this concession to Providence—it may come in a better way than we proposed."

He who saw so very clearly never lost his faith. He beheld as few men are ever forced to see his ideals torn down. He looked ahead along the dark road to revolution. Yet he never lost his faith. If we who gather here today to do him honor may find a little of his noble confidence, we can go back from the quietness of this tomb more able to serve our country and our countrymen. We who followed him when he led us into war can fight today for peace and security under the standards of justice and unselfishness which he never let fall. Today for all America and for all the world hope lies in the ideals of Woodrow Wilson, which were never more alive nor more needed than today.

OFFICE EQUIPMENT IN THE OLD HOUSE OFFICE BUILDING

Mr. BYRNS. Mr. Speaker, I offer a resolution, which I have sent to the desk.

House Resolution 196

Resolved, That the Clerk of the House of Representatives is hereby authorized to deliver to the General Supply Committee such office equipment now in the old House Office Building as may be unnecessary, for the use of the Members remaining therein.

The resolution was agreed to.

WILLIAM A. HAWKINS

Mr. COCHRAN of Missouri. Mr. Speaker, I send to the Clerk's desk a privileged resolution from the Committee on Accounts, and ask for its consideration.

The Clerk read as follows:

House Resolution 195

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. William A. Hawkins, widow of William A. Hawkins, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount not exceeding $250 to defray funeral expenses of the said William A. Hawkins.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their own remarks in the RECORD upon the independent offices appropriation bill.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, there is a great deal that the most of us could and would like to say by way of appreciation and applause of many men and their work as we have known them during this extraordinary session of the Congress.

Of course, there comes first in our minds the President. His extraordinary performances have made him the first man of the world. There is no living man who holds such a large share of world confidence and esteem as does the President at this hour. [Applause.]

Mr. Speaker, speaking, I am sure, for the entire Membership of this body, I want to mention him who has presided over this body during this session of the Congress, the Honorable HENRY T. RAINEY. His uniform courtesy and fairness to all has made him very much of a favorite with the House. [Applause.]

Mr. Speaker, I desire to pay tribute to the minority of this House. They have, in the main, cooperated to the fullest with the majority in carrying out the President's recovery program. In this connection I should like to pay my compliments to the minority leader, Hon. BERTRAM SNELL. [Applause.] He has distinguished himself not only as one of the first men of the Congress but as one of the first men of the entire country.

I should like also, Mr. Speaker, to pay my respects to the leader of the majority, Hon. JOSEPH W. BYRNS. [Applause.] He has led by persuasion, by kindness; and as a result of the confidence that his colleagues have had in him, it has been easy for him to lead.

I should like, Mr. Speaker, to mention the entire Membership of this body; particularly, Mr. Speaker, do I wish to make mention of this new Membership of this House. They have performed nobly and they have displayed a fine understanding of the meaning and purpose of their being here.

Then, Mr. Speaker, personally, I should like to mention the dean of this body, the sweetest, the gentlest, the finest man I know, the Honorable EDWARD POU, of the State of North Carolina. [Applause.]

I am sure, Mr. Speaker, it is the hope of all that when the individual Members of the House return to their homes they will find an appreciative constituency willing and ready to reward them for the arduous labor they have rendered in this extra session of the Congress. [Applause.]

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Without objection, it is so ordered.

Mr. SNELL. Mr. Speaker, even at this early hour I do not want this session of Congress to adjourn without paying my respects to the majority for the kind and considerate attention they have given us during this session. I appreciate the fact that this has been a strenuous session of Congress. There have been some rather sharp tilts across the aisle, but the best part of it all is that it is simply a part of the day's work, and any feeling always dies with the setting sun. [Applause.]

We have tried to do our part in a manly, straightforward fashion. I think as a whole we have got along pretty well.

I especially want at this time to pay my personal respects to the beloved Speaker of the House [applause], and I especially want to compliment him for his presence tonight, because I know he wants to go to the college of his alma mater, Amherst, for the fiftieth reunion of his class. Whether the House knows it or not, I want to tell you that the college is honoring itself by honoring our Speaker, in giving him the degree of doctor of laws at this time. [Applause.]

I also want to pay my respects to the majority leader and the courtesy he has always shown me, and to you, my colleagues, who are about to depart for your homes for the vacation. I wish you a pleasant and successful summer and hope we shall all return in the fall refreshed and ready to attend to the people's business. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, we are closing the most momentous session of Congress that has ever been held in

the history of our Government. It is unnecessary for me to pay tribute to that great Chief Executive who presides at the White House. Most of us have contributed by supporting him at this special session of Congress, by upholding his hands on every occasion. This Congress has stood by our President, Franklin D. Roosevelt.

This House should not adjourn until we pay our respects to our presiding officer, that distinguished gentleman from Illinois who has so impartially presided over the deliberations of our session and so fearlessly ruled in all our parliamentary procedure, the Honorable HENRY T. RAINEY, of Illinois. [Applause.] While his duties have been onerous as a presiding officer, one man on the floor of this House who has worked indefatigably, who has had the burden of this special session, is our beloved friend, whom everybody on both sides of the aisle loves, the gentleman from Tennessee [Mr. JOSEPH W. BYRNS]. [Applause.]

While the Republicans have rarely cooperated with us, yet there is one thing which I propose to state before the last CONGRESSIONAL RECORD is printed, and that is that I know the gentleman from New York [Mr. SNELL] has not at all times been in sympathy with the obstructive tactics of some of his followers on that side of the aisle, and I am glad to pay my personal tribute to the courtesy of the distinguished minority leader, who was my Chairman of the Committee on Rules for 8 years, the Honorable BERTRAND H. SNELL, of New York. [Applause.] His successor as chairman of that committee is the distinguished gentleman from North Carolina, EDWARD W. POU, who in this session and during the last Congress has presided over the Rules Committee, of which I have been a member for 11 years. If any man here outside of our Speaker and outside of our distinguished majority leader has contributed more in this special session of the Seventy-third Congress to the accomplishment of the program of the President than any other, it is that distinguished dean of this House from North Carolina, Mr. EDWARD W. POU. [Applause.]

Mr. Speaker, one of the most unfortunate events that happened in this special session was that for a month or so one of the most brilliant men and great leaders of this House, one of the men on whom we depended, was unfortunately taken ill. We lost his services for about a month. Some of us had to attempt to pinch hit for him. We were without him for a time, but he came back to us, thank God, and he is now here with us—the gentleman from Alabama [Mr. WILLIAM B. BANKHEAD]. [Applause.]

Something has been said about the new Members of this House. We all love our new Members. We are glad that they are with us. Our session today would not be complete without paying our respects to those new Members of this House who have come into this session. They have already become acclimated to the atmosphere of this legislative body.

Mr. Speaker, in this session of Congress we have made greater progress than was ever made by any party or any administration in any other Congress. We are proud of that record. We have stood loyally behind our great President, and when we finish tonight we shall have no apologies to make. We have accomplished our party program—every promise has been fulfilled, every pledge has been kept. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

CHILD LABOR AMENDMENT

The Speaker laid before the House a communication from the Secretary of State of the State of New Jersey, announcing that the legislature of that State had ratified the proposed amendment to the Constitution of the United States empowering the Congress to limit, regulate, and prohibit the labor of persons under 18 years of age.

EIGHTEENTH AMENDMENT

The Speaker laid before the House a communication from C. J. Rogers, Deputy Secretary of State of the State of Wyoming, submitting a correct copy of the minutes of the constitutional convention held at Casper, Wyo., on the 25th of May 1933, ratifying the proposed amendment to the Constitution of the United States repealing the eighteenth amendment to the Constitution.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes. [Applause, the Members rising.]

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

Mr. BYRNS. Mr. Speaker and Members of the House, I cannot permit this session to adjourn sine die without expressing my heartfelt thanks and my very deep appreciation to every Member of the House on both sides of the aisle for the courtesy and kindness and consideration they have shown to me during this session. [Applause.] I appreciate the patience which the Members have shown toward me, and I want you to know that when we adjourn and each of you return to your home, you will carry with you not only my gratitude, but also my admiration and affection.

I wish to join in the tribute which has been paid to our distinguished Speaker. I never served under a more impartial or fairer presiding officer. I feel that I but express the sentiments of every Member of the House when I say that we wish for him a pleasant recess and that he may return to us in January with that full vigor of health that he now possesses. [Applause.]

I want also to express my appreciation to the minority leader, the gentleman from New York [Mr. SNELL], for the kindness and courtesy which he has shown me. [Applause.] We have worked together during this session with a splendid cooperation and interest in the great legislation which has been passed during these 3½ months during which we have been in session.

May I say I think we are all fortunate in being Members of this the Seventy-third Congress, for in the special session now closing I do not believe there has been in all the history of our country a Congress which has in such a short space of time enacted so many important constructive measures as have been passed by this Congress. We have passed 12 great major constructive measures, all planned and passed with the object of relieving our country from its present economic distress and restoring prosperity, which now, I verily believe, is on the way.

We have the satisfaction of knowing that the tide has turned and that, largely as the result of the legislation we have passed, the individual citizens may look forward with confidence in the future, so necessary to restore our country to that prosperity which it has heretofore enjoyed. Wheat now bringing nearly twice as much as it brought only a short while ago, cotton bringing to the growers nearly twice as much per pound as it was selling for a short while ago, and other products, gives promise to agriculture, which has so long been suffering from depression. It has been a remarkable Congress, a Congress which has followed with unfaltering and ungrudging confidence and loyalty the great leader in the White House, Franklin D. Roosevelt [applause], who enjoys the confidence of the people today in every section of our country to a greater extent, I believe, than any other man in many years. [Applause.]

Washington, when President, was known as the Father of his Country. Seventy-two years afterward Lincoln was its savior, and 72 years thereafter Franklin D. Roosevelt is its preserver from the economic ills which have beset us.

I again express to all of you my best wishes. When you return to your homes I trust you will be received as you should be received, with open arms, by your constituents, and that every one of you will be sent back to the next Congress as a result of the patriotic, loyal service you have rendered to your country during these trying months. [Applause.]

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Oklahoma. Since the new Members have been mentioned, I thought it would be in order that one of them say a word in regard to our leaders before this session of Congress closes. I spoke to the Speaker about it a day or two ago and explained to him what I wanted to say. He said he would give me all the time I wanted. I saw the floor leader and got permission from him. The last few days he has refused to allow Members to speak unless he knew what they were going to talk about.

I want especially to pay my respects to our President, Franklin D. Roosevelt, and to the Speaker of the House, Hon. Henry T. Rainey, and to our floor leader, the gentleman from Tennessee, Hon. Joseph Byrns.

I have not always agreed with these gentlemen, but it has not made much difference in most cases whether I agreed with them or not.

At least three things, I think, have contributed to the success of this Congress. The first of these has been the efforts our leaders have put forward. [Applause.] Do you remember the lines?—

The heights men reached and kept
Were not attained by sudden flight,
But they, while their companions slept,
Were toiling upward in the night.

[Applause.]

The second thing that has contributed to the success of this Congress has been the fact that our leaders have been prepared for their work.

For all thy days prepare, and meet them all alike;
When thou art the anvil, bear; when thou art the hammer, strike.

The third element of success is their desire to serve, their sincerity of purpose.

Review the lives of all the truly great and successful men that ever lived, and you will find that the pronounced, outstanding characteristics of their efforts were sincerity of purpose, an unselfish giving of their best services to the world. They gave generously of their best, and greatness and immortality were their reward. When the call of civilization comes for great men of this kind, the Divine law always provides them.

In closing I quote this short poem, taking this opportunity to show my appreciation of our leaders:

They would rather have a rosebud
As a tribute of today
Than to have the most cherished laurels
When they have passed away.
Then give to them a rosebud,
A rosebud, pink or red;
They would rather have just one today
Than ten thousand when they're dead.

[Applause.]

RESIGNATION OF A MEMBER

The SPEAKER. The Chair lays before the House the following resignation:

JUNE 15, 1933.

Hon. HENRY T. RAINEY,
Speaker of the House, Washington, D.C.

MY DEAR MR. RAINEY: I hereby tender my resignation as a Member of Congress from the Fifth Congressional District of Arkansas, to be effective at midnight June 16, 1933.

Very respectfully yours,

HEARTSILL RAGON.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, I am quite sure I speak what is in the heart and mind of every Member of this House when I express our regret that our colleague the gentleman from Arkansas [Mr. RAGON] is to cease to be a Member of this House.

I congratulate him upon the fact that he is to become a part of the great judiciary of the country. We know he is abundantly qualified for any position he may hold and that he will make a great and just judge, as he has made a splendid, faithful, able, and patriotic Representative.

We wish for him a long life and great prosperity. [Applause.]

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H.Con.Res. 24. Concurrent resolution providing that when the two Houses of Congress adjourn on Friday, June 16, 1933, they stand adjourned sine die.

LETTER FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following communication from the President of the United States:

THE WHITE HOUSE,
Washington, June 15, 1933.

Hon. HENRY T. RAINEY,
House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: Before the adjournment of the special session I want to convey to you and to the Members of the House of Representatives an expression of my thanks for making possible, on the broad average, a more sincere and whole-hearted cooperation between the legislative and the executive branches of the United States Government than has been witnessed by the American people in many a long year.

This spirit of teamwork has in most cases transcended party lines. It has taken cognizance of a crisis in the affairs of our Nation and of the world. It has grasped the need for a new approach to problems both new and old. It has proved that our form of government can rise to an emergency and can carry through a broad program in record time.

I am certain that the American people are appreciative of the work of this special session of the Seventy-third Congress.

Please let me add that the past few months have given to me very special pleasure in the renewal of old friendships and the forming of new friendships among the Members of the House of Representatives. To each and every one of you I send my best wishes for a well-deserved and happy holiday during the coming months.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, announced that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5389. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 813. An act to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit; and

S. 815. An act to provide for the survival of certain actions in favor of the United States.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 3344. An act to amend section 14, subdivision 3, of the Federal Farm Loan Act;

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district; and

H.R. 6034. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending

June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

H.R. 5091. An act to amend section 289 of the Criminal Code; and

H.R. 5661. An act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

MESSAGE FROM THE PRESIDENT—APPROVALS

A message from the President of the United States announced that on the following dates the President approved and signed bills of the House of the following titles:

On June 9, 1933:

H.R. 1767. An act to authorize the acceptance of certain lands in the city of San Diego, Calif., by the United States, and the transfer by the Secretary of the Navy of certain other lands to said city of San Diego.

On June 10, 1933:

H.R. 4220. An act for the protection of Government records;

H.R. 4812. An act to promote the foreign trade of the United States in apples and/or pears, to protect the reputation of American-grown apples and pears in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes; and

H.R. 5012. An act to amend existing law in order to obviate the payment of 1 year's sea pay to surplus graduates of the Naval Academy.

On June 12, 1933:

H.J.Res. 183. Joint resolution extending for 1 year the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission.

On June 13, 1933:

H.R. 3511. An act to authorize the creation of a game refuge in the Ouachita National Forest in the State of Arkansas;

H.R. 3659. An act to extend the mining laws of the United States to the Death Valley National Monument in California;

H.R. 5240. An act to provide emergency relief with respect to home-mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States, and for other purposes; and

H.R. 5495. An act to amend an act entitled "An act creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.", approved June 25, 1930, and to extend the times for commencing and completing construction of said bridge.

On June 14, 1933:

H.R. 5329. An act creating the St. Lawrence Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

On June 15, 1933:

H.R. 4872. An act authorizing Farris Engineering Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near California, Pa.;

H.R. 5091. An act to amend section 289 of the Criminal Code;

H.R. 5589. An act granting the consent of Congress to the city of Washington, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Washington, Mo.;

H.R. 5645. An act to amend the National Defense Act of June 3, 1916, as amended; and

H.R. 5793. An act to revive and reenact the act entitled "An act authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.", approved March 2, 1929.

On June 16, 1933:

H.R. 4589. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes;

H.R. 5040. An act to extend the gasoline tax for 1 year, to modify postage rates on mail matter, and for other purposes;

H.R. 5208. An act to amend the probation law;

H.R. 5239. An act to extend the provisions of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen", approved May 13, 1932, to desert-land entrymen, and for other purposes;

H.R. 5389. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes;

H.R. 5661. An act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes;

H.R. 5755. An act to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes;

H.R. 5790. An act to provide for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to provide a market for obligations of the United States, and for other purposes;

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district;

H.R. 6034. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes; and

H.R. 5690. An act to legalize the manufacture, sale, or possession of 3.2 percent beer in the State of Oklahoma when and if the same is legalized by a majority vote of the people of Oklahoma or by an act of the Legislature of the State of Oklahoma.

EXTENSION OF REMARKS

SHORT SELLING OF SECURITIES

PORTION OF A STATEMENT OF HON. ADOLPH J. SABATH, OF ILLINOIS, BEFORE THE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, MARCH 5, 1933

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, in view of what has come to light in the Senate investigation of J. P. Morgan & Co. and in the case of Charles A. Mitchell, former president of the National City Bank of New York, before the New York courts, I feel it is opportune to call the attention of the country to the fact that, notwithstanding the attacks and criticisms directed against me by certain financial writers because of my persistent efforts to put an end to the activities of unscrupulous investment bankers, which activities are condoned by and actually engaged in by officials of the New York Stock Exchange, my fight against stock-exchange irregularities and abuses, which I began in October 1929, was justified. I feel certain that if President Hoover, the officials of the stock exchanges, and the investment bankers, including J. P. Morgan & Co., had listened to my urgent appeals and requests the country would not have suffered as it suffered in the last 3 years.

I also wish at this time to issue a warning, in view of what is transpiring today, that, notwithstanding the facts that

have been brought to light, the same ruthless, avaricious, and greedy forces are again at work pushing up the prices of stocks and bonds all out of proportion to the improvement in conditions. It appears to me that they are endeavoring to bring about another orgy of speculation and inflation for the expressed purpose of causing another debacle, in order to undo the work of this Congress and cast discredit upon the administration.

Though I am in a measure satisfied with what I have been able to accomplish, it does not even begin to approach the objective which I set out to attain. But I am confident, and once more I serve notice on all those guilty of manipulation, that I shall not be shackled in the next session of Congress and that I shall obtain approval for such a wide-sweeping investigation as will make it possible for us to secure legislation forever prohibiting the destructive and dishonorable practices prevalent on the exchanges.

I regret that neither time nor space permits me to insert in the RECORD all the telegrams and letters that I sent to President Hoover, J. P. Morgan & Co., and the New York Stock Exchange. I shall, however, insert a portion of my statement made before the Judiciary Committee of the House during the course of its investigation of stock-exchange practices, which I feel best sets forth my unceasing fight on the avaricious racketeers of Wall Street:

Mr. SABATH. Mr. Chairman and gentlemen, I fully realize and appreciate the conditions which confront the members of this committee, as well as those of other committees, at this time. We are all going at full speed, trying to enact legislation to relieve the unfavorable and unbearable conditions that exist in the country today.

Therefore, I am going to try to be extremely brief, realizing, as I do, that the House meets at 11 o'clock today, and that the Rules Committee, of which I am a member, and which meets at 10:30 o'clock, has important matters to consider.

In view of my desire to familiarize the members of this committee with the facts concerning the transactions and practices on the stock exchanges, and in the hope that in the near future the members may be able to glance over some of the evidence, I am going to ask leave of this committee to permit me to embody in my statement a few extracts from editorials written by outstanding and uncontrolled financial writers——

Mr. MCKEOWN (interposing). Are those very long extracts that you wish to insert in the record, Judge Sabath?

Mr. SABATH. Well, many of them are long; but I will endeavor only to put in short extracts, because I myself have not time to arrange them as I should like to.

Mr. MCKEOWN. All right.

Mr. SABATH. I was hopeful that I would have about a day in which to present my facts to the committee and that I could have read some of these extracts and statements; but unfortunately, time will not permit it.

Mr. CONDON. Do these editorials refer specifically to your position in introducing these bills?

Mr. SABATH. I have many that do; but those that I wish to insert into the record are confined to a discussion of the practice of short selling and the abuses on the stock exchanges; some also show that the existing conditions at this time are not all due to short selling—which I concede—but that they are in great measure due to the manipulation by the "bulls" of 1928 and 1929 who created and caused the terrific, criminal inflation of stock-market prices during those years—the same individuals who are the "bears" of 1930, 1931, and 1932.

Mr. CONDON. Do these articles name some of these men or do they just refer to them as a class?

Mr. SABATH. Yes; several name some of these men. But I have up until now refrained from giving the names of men who have been charged with being outstanding "bears."

I have no direct evidence, because I have not examined their books; but I have received many communications charging some of our largest financial institutions and many of our outstanding men with the practice of short selling. But I never wish to attack anyone——

Mr. MCKEOWN (interposing). That material will be admitted. Let the record show that that is to be admitted.

Mr. Max Bruell, former stock-exchange member, has this to say in the November 8, 1931, issue of the New York American:

SAYS SHORT SALES NOT JUSTIFIED IN TIME OF DEPRESSION

"Short sales, perhaps economically justified in normal times, become a menace in periods of depression. The attempts of the New York Stock Exchange to restrict short selling are half-hearted. The only effective method, as practiced by foreign bourses, is to insist upon actual presentation of securities prior to their sale. This can be amplified by prohibiting the lending of securities. To facilitate selling of securities held abroad, a foreign central agency could be appointed. Upon receipt of cable advices confirming that the respective securities were duly delivered to the agency, selling orders could be executed.

"Due to public criticism, and in an endeavor of self-preservation, the New York Stock Exchange had adopted a number of necessitous reforms. The ultimate goal, to reduce the exchange to its normal functions, is as yet far from accomplishment. The governors of the exchange are attempting to popularize their institution. Speeches of the president, carefully prepared, are widely circulated. The machinery of the exchange has even been filmed. The film shows the course of an order from its inception to its settlement. The film, however, does not reveal that quite often customers' orders serve as protection for the private speculations of floor brokers and specialists. To do so with more or less impunity has been their time-worn privilege. The system is detrimental to the client and indefensible.

"As long as the exchange permits its members to act as brokers and as dealers, the assertion on the membership certificates:

MEANINGLESS PROMISE

"That the exchange has been formulated for the purpose of maintaining high standards of honor among its members and for promoting and inculcating just and equitable principles of trade is rather meaningless. It is a lame excuse that without the specialists no market in certain securities would be obtainable.

"The specialists make markets if they feel like it; they play safe.

"The controversy about specialists has cropped up very often, but no action has been taken. Should future Federal or State supervision remove the trading privileges of the specialists exchange seats would decidedly become less attractive. Specialists in active markets have rolled up fabulous incomes. Their profits were derived from the undue advantages held over the general public. The methods of practically victimizing clients in stop-loss orders, subscription rights, part-paid stocks, etc., are plentiful.

"The public lives in a delusion that listing a security on the exchange is an endorsement of its merit. This is utterly unwarranted. The listing committee of the exchange is primarily concerned about the assurance of an open and free market and does not verify the correctness of balance sheets as practiced on continental exchanges. The grossest overcapitalization of companies has not been checked by our exchanges.

PUBLIC EXPLOITATION

"Shall we permit such exploitation of the public to go on forever or shall we move for supervision to bring security issues in line with physical value? Must we continue to permit houses of issue to escape responsibility through the time-worn clause on prospectuses.

"This information, while obtained from reliable sources, is not guaranteed by us.

"Nation-wide extension of ticker facilities and brokerage branches was a mistake. Customers' men have only one function—to rake in commissions. According to recent regulations, they are required to have some experience but many of them would not pass an intelligence test. No charge is being made for market letters. One of our great economists states that they are supplied gratis because they are not worth more. The exchange firms ordinarily do not affix their signatures to opinions furnished; they prefer to let the economist assume responsibility.

"We should be less concerned about the investment value of 1,375 New York Stock Exchange seats than about the wisdom to engage in gambling with all odds against the public.

"If Congress and State will deal with some of the points outlined above, the return of confidence will be speeded."

Mr. B. C. Forbes, editor and publisher of Forbes, who was one of the first to see the disastrous effects of short selling, writes as follows in the November 1, 1931, issue of Forbes:

SHORT SELLING IS NOT TIMELY

"Those who try to send stock prices to perdition by selling them short should be honored as supreme patriots, as saviors of their country. That is the conclusion one almost reaches on listening to President Richard Whitney, of the New York Stock Exchange. Why such benefactors should have been forbidden to exercise their laudable operations for even 48 hours is hard to understand—but not quite so hard to understand as why they were again told to resume depressing quotations.

"It was, we are officially told, 'an emergency' which induced bridling the bears. Apparently 'emergency' conditions lasted only 2 days. You and I and a good many others have been under the painful—very painful—notion that emergency conditions have prevailed considerably longer than 48 hours. Ask the hundreds of thousands of depositors in banks which closed their doors if normal conditions have been restored. Ask millions of unemployed the same question. Ask, also, investors whose income has been stopped. Ask other investors who, on the recommendation of reputable bankers and others, purchased securities at 1929 prices and who have lately found themselves bankrupt.

"Mr. Whitney protested too much about the blessings conferred on the world by bears. A security market without short selling was pictured one moment as unthinkable, impossible. The next moment came the statement that the bond market has existed for generations without short selling. Yet which market has experienced the wildest inflation—the stock market, enjoying the wonderful 'stabilizing' miracles wrought by short sellers, or the bond market not enjoying short selling?

"I, for one, would have had more confidence in buying stocks during the depths of the debacle if aware that quotations could not be slaughtered at any moment by short sellers. What this country has mainly suffered from lately has been fear. Investors would have felt less apprehensive had they known bear-selling was banned. Mr. Whitney's own figures were meant to convey

that the amount of short selling was a mere bagatelle. Yet he argued and argues that this mere bagatelle is of such infinite importance that the New York Stock Exchange authorities will court legislative action rather than comply with overwhelming public opinion.

"Admittedly, a wide-open market is ideal. But to permit short selling during a period of hysteria such as has shaken the financial foundations of this Nation is not ideal in face of mounting public hostility. Even the powerful New York Stock Exchange must, if it is to be allowed to function with a maximum of freedom, take cognizance of the public will."

And in the November 30, 1931, issue of the Chicago Herald and Examiner:

FORBES WAXES WROTH OVER BEAR MANEUVERS

"Good morning! Have you had your daily cry?

"That greeting is addressed mainly to those identified with Wall Street.

"The rest of the country is preserving its sanity and attending to business in a rational sort of way.

"But the Wall Street world daily conjures up new hob-goblins and runs frantically to cover. The bears never found it so easy to make money, never found it so easy to cause fright, never found it so easy to spread the idea that the bottom is about to fall out of everything.

"Thanks to the secrecy with which short selling is hedged about by the New York Stock Exchange governors, we are kept totally in the dark as to how much bear raiding is going on. The market has every appearance that the bears have been having a perfectly lovely time, with the sky the limit—or, perhaps one should say, hades the limit.

"Of course, did an 'emergency' exist, the stock exchange governors would halt the bears' picnic—perhaps for as long as 48 hours. You may remember that they did that once before. That was when stock quotations first reached the depths they again reached at the end of last week.

"But apparently there is no need whatsoever to ban short selling at this time—in the eyes of the exchange governors. In the eyes of a very large section of the public there is need for stopping short selling until stocks and bonds have reasonably recovered from their ultrapanic prices.

"Incidentally, bonds are distinctly lower than they were when the bears were last prohibited—for 48 hours—from carrying on what President Whitney, of the stock exchange, asks the public to believe are laudable, Nation-saving operations.

"Would it interest the stock exchange authorities were they to learn that not a few investors, although they recognize current quotations as extraordinarily low, refuse to make purchases of stocks under existing conditions, so long as bears are at liberty to knock down any stock they choose to bankruptcy prices?

"Of course, it may be that the so-called 'restrictions on short selling' have been enforced so rigidly that the public is all wrong in imagining that any short selling whatsoever has been going on. The stock exchange governors know the facts. The customers of the exchange are denied the facts.

"Maybe a few months or a few years from now the exchange authorities will graciously conclude to reveal the truth—after such information is totally worthless.

"The prospect is, however, that the public will call upon their legislative representatives to uncover the facts, not a few years from now but a few months from now. My conviction, based on rather intimate association with financial leaders, is that Wall Street hasn't the slightest conception of the ill-will borne it throughout the continent.

"If the stock exchange governors were more fully informed on this point, I rather think they would do more than they have yet done to stave off political action."

In the Chicago Evening American of February 9, 1932, Mr. R. P. Vanderpoel, financial editor and sincere proponent of the policy of laissez faire on the exchanges, makes this interesting and forceful statement in regard to short selling:

BEAR RAIDS—EXCHANGE MUST ACT—SNEERING TRAITORS—TRAMPLE ON THEM

"Repeatedly of late there have been evidences of deliberate efforts upon the part of organized bear cliques to depress security prices.

"As one of those who have steadfastly argued for the maintenance of a free and open market, and consequently against the elimination of short selling, I feel it a duty to express my opinion, and in the most forceful terms, against permitting any individual or any group to hammer stock prices down at this time.

"I believe in free speech, just as I do in a free market. Yet in war time there are certain restrictions on free speech. A man may not be a traitor to his country.

AIDING THE ENEMY

"We are passing through a period now just as critical as though we were engaged in a great war. It is just as essential that the devastating downward crash of prices—security and commodity—be arrested as it would be to halt the forward march of an alien enemy.

"Yet we are permitting men to spread propaganda just as seditious as anything that might be put out by an enemy. Not only that, but through the stock exchange we have allowed these traitors to train their guns on what appeared to be our vulnerable spots.

"If this condition continues much longer there can be but one end—closing of the stock exchange for self-protection by an outraged nation.

IT WILL NOT

"The United States Government has set up the Reconstruction Finance Corporation as a stupendous effort to check the great tide of deflation that has already resulted in so much suffering and which threatens economic collapse on a world-wide scale. The Government is putting $2,000,000,000 behind this movement.

"Every fresh onslaught on the stock market makes the work of this corporation just that much more difficult.

"Does anyone believe that the Government will stand idly by and permit a group of sneering, traitorous men 'play' with the stock market for their own personal aggrandizement, disregarding the general welfare of a nation?

"It cannot and it will not.

"This column has consistently defended honest short selling. Bear raids have always been condemned in the strongest language. Market manipulation of any kind has never been countenanced.

"What do we find at the moment?

"Unless our interpretation is totally wrong, we find a well-organized group of bears, men whose names have been bandied about from coast to coast, very carefully, very cleverly, putting out an increasing line of short stocks. We find the most bearish sort of propaganda emanating from these same bears and their paid agents.

"We find these men planning to profit through their short lines by uncovering specific weak situations and hammering at them in the hope of breaking them and thereby causing such a smash that they may cover their short commitments at a handsome profit.

MUST ACT QUICKLY

"Is this a fanciful picture?

"We do not believe that is it. Bankers, business men, members of the stock exchange themselves, tell us that it is not.

"If it is a true picture—even approximately true—the New York Stock Exchange must take drastic action quickly or an impatient citizenry will speak through its Congress in no uncertain terms. * * *

CALL OF THE HOUR

"This is no time for trifling.

"The call of the hour is for men of strength, courage, and faith—men who will carry us forward, trampling as they go on the traitors and the cowards."

The following editorial appeared in the Chicago Daily Times on February 24, 1932:

"MEDICINE FOR 'SHORT SELLING' ISN'T STRONG ENOUGH

"The New York Stock Exchange has revised its rules on short selling of stocks, to be effective April 1. The action comes about 18 months too late. What's more, the new rules do not go far enough. Short selling may be restricted a little. In times like these it ought to be abolished. The President and Congress have set in motion many governmental activities, designed not only to stop the depression of values but actually to inflate them. Billions of dollars of public money are involved in the various schemes. The entire population of the country is expected to put its shoulder to the wheel and push for higher values, more business, more employment, and better times.

"But the short seller gambles that these objectives will not be accomplished. He is not an inflationist. He is a deflationist and a depressionist. He bets that things will go lower, not higher. He makes money out of destruction, not construction. He 'sells' a stock at a lower price than the current quotation with the purpose in mind that his 'sale' will depress the market even under the value at which he 'sells.' Then, if his hunch works, as it usually does, he buys it at the bottom price and delivers it to the buyer in his original sale, making a profit.

"But he sells something he does not own. To accommodate him in his gambling, his broker lends to the short seller stock that belongs to another customer which the broker is holding on a margin arrangement. The other customer doesn't even know that his stock is being used this way; often the other customer is the loser in value through the very transaction for which his stock has been put up as dummy merchandise.

"Under the new rules, as announced by President Richard Whitney of the New York Stock Exchange, the broker must secure the other customer's specific written consent to have his stock lent to a short seller. Even under this plan, the short seller is selling what he does not possess, another man's goods. The plan leaves room for manipulation and does not guarantee what the country needs * * * a ban on gambling against prosperity.

"The argument for short selling has been that it provides a 'cushion' for a sagging market, since whenever the bears sell they must later buy back. But the public feels that the need of the day is for prices which reflect, not the results of manipulation, but something close to the actual value of the securities bought. In a period like the present, when millions of families are destitute, due to lack of business and unemployment, short selling of securities means short selling of the United States and its people. It is gambling against their climb up the economic ladder. It is making money out of human misery.

"The stock-gambling fever was largely responsible for the depression in the United States. The 1928 and 1929 stock boom was due to stock gambling that was made possible by credit. The Federal Reserve System could have choked that credit in time to stop the gambling and prevent, or at least minimize the panic.

The Government's banking system did not take the necessary bold step then and stock prices took balloon ascensions. They are now deflated below actual values. Credit should be denied to those who gamble to keep them lower than they should be. All short selling should be stopped in the national emergency."

* * * * * * *

Now, in my desire to bring as many facts as I could to the attention of the committee, I dictated the following statement last night, which, with your permission, I herewith insert in the hearings:

"Mr. Chairman and gentlemen of the committee, for over 2½ years I have pleaded for an opportunity to appear before the committee in behalf of my bills on short selling and show the destructiveness of this practice and its effect upon the social and economic conditions of the country. And now it is somewhat of a mixed pleasure to appear before you after the destruction which I prophesied has taken place because the President and the administration refused to act on my appeals.

"I shall not waste the time of the committee in dwelling at length on the abuses of 'bull' manipulation and practices in 1927, 1928, and 1929, though I wish to state here that I am fully cognizant of the part they played in paving the way for the greatest economic debacle in the history of our country. Our task at present, and it is a task incumbent upon us, is to deal immediately with the situation now before us—the practice of 'bear raiding' and short selling.

"Today I know that I am speaking for every legitimate agricultural, manufacturing, and business enterprise, as well as for the 20,000,000 men and women who have lost their life savings; for the hundreds of thousands of small business men and small manufacturers who have been wiped out; and for the millions of depositors and the thousands of widows and dependents who have been made penniless today by the greatest crime ever committed in our country: a crime that is responsible for throwing 8,000,000 people out of employment and, therefore, the cause of want and misery to millions of American homes. And lest I forget, a crime that is directly responsible for the death of 20,000 men of the Nation.

"Mr. Chairman and gentlemen, in requesting favorable action on my bills, or any bill that the committee may see fit to report favorably to prohibit or restrict short selling, I wish to emphasize that I am not opposed to any legitimate transactions or to any orderly or free market of stocks and bonds. But I do disagree with the assertion that without short selling we would not and could not have a free and orderly market to sell. I am confident that the elimination of professional manipulation would aid the legitimate transactions and the orderliness of the market. Furthermore, I deny that by prohibiting short selling the stock exchange would be forced to close, as Mr. Whitney stated before this committee. I do believe that the volume of business on the stock exchanges would be reduced and that the profits of the brokers and gamblers would be minimized, but on the other hand, I believe that business in general would be stabilized and confidence restored.

"When I appealed in 1929 to the President, the Governor of the Federal Reserve Board, the leaders of the administration, and the governors of the various exchanges to stop the practice of short selling, because the coming events were already casting their shadows and it appeared as though an economic crisis was fast approaching, I was assailed and ridiculed by the writers and economists controlled by Wall Street and by the majority of the brokers. Today, after 2 years and 4 months of patient but persistent effort, I am pleased to say that I have won over a great number of these people to the proposition that short selling is an unmitigated evil and should be prohibited.

"Within the last year Mr. Whitney, president of the New York Stock Exchange, has made three stirring speeches in defense of short selling, which have been broadcast throughout the entire Nation, and has had a half million copies of the same printed and distributed throughout the country. Even a superficial examination of these speeches, as well as those delivered before your committee by Profs. S. S. Huebner and Joseph Stagg Lawrence, will show that they have been carefully prepared; and in addition it is quite evident, from the speeches themselves and from the testimony presented by Mr. Whitney's counsel, that no expense has been spared to secure the best legal talent available to conduct this defense of short selling. But notwithstanding the ability of these men and their adroitness in handling an obviously unfavorable situation, they have failed, in my opinion, to convince any informed person, except stock-exchange officials, short sellers, and brokers that short selling is expedient or beneficial.

"On page 8 of the written statement which Mr. Whitney read before this committee, he states that 'if there had been no short selling of securities, I am confident that the stock exchange would have been forced to close many months ago.' Mr. Chairman and gentlemen, I doubt very much whether the exchange would have closed if short selling had been prohibited, and I question Mr. Whitney's sincerity in making this statement; but oh, what a blessing it would have been for the Nation if the stock exchange had actually closed in 1928. Lives would have been saved; banks, factories, and shops would still be open; and above all, the people of the United States would not have been fleeced out of hundreds of millions of dollars during the years of 1928 and 1929, for there would have been no ballyhooed 'Hoover bull market' with its artificial rigging of stock prices, and there would not have been hundreds of new stock-market millionaires born at the expense of the working people. But please remember that the men who engineered this orgy of inflation, the 'bulls' of 1928 and 1929, have become the 'bears' of 1929, 1930, 1931, and 1932, and that only a small number of many have been directly responsible for these manipulations, first, on the 'bull' side, and, in the last few years, on the 'bear' side.

"Mr. Whitney and his scholarly aides have endeavored to show that the stock-exchange manipulations have little or no effect upon the trend of business and that stock-exchange prices are an effect rather than a cause. And in regard to the effect of short selling upon the trend of the market, Mr. Whitney reached the heights of eloquence by saying, 'that it does much to smooth the waves, but does not affect the tide.' And Professor Lawrence stated Wednesday, March 2, that the stock exchange does not influence business and that there is no definite correlation between stock-market prices and the trend of business, and showed that in 1927, 1928, and 1929, while business was on the down grade, the prices of stocks were going up to unprecedented heights. Now, if the stock prices on the exchanges at any time represented true value, and if they were the result solely of the law of supply and demand, I am certain that they would have followed the trend of business. The lack of correlation between stock prices and the trend of business during these years, as shown on the charts prepared by Professor Lawrence, was the result of criminal manipulation on the part of the professional gamblers interfering with the natural law of supply and demand. In this connection permit me to read an extract from a speech I delivered on the subject in 1929:

"'In keeping with this policy, ex-President Coolidge during his administration began an advertising campaign of prosperity, which Mr. Hoover followed, proclaiming that the resources of the United States were still untapped, that business conditions were showing improvement each year, and that savings were increasing. As stated in a New York World editorial:

"'"* * * After a sharp decline following a report of a huge increase in brokers' loans, Mr. Coolidge amazed even Wall Street itself by announcing that neither he nor Mr. Mellon saw any danger in the expansion of brokers' loans * * *."

"'This kind of propaganda continued even after it was pointed out that depression had set in in many lines and that stocks were selling at levels ridiculously out of proportion with their earnings. But notwithstanding this warning, many other similar statements were issued from time to time to imbue the public with the confidence that stocks would never react but would keep on climbing to greater heights in this so-called "Hoover era of higher prices."

"'The beautiful enticing picture painted by the administration forces, who would not listen to the warning voice of economists or the threat of rapidly rising brokers' loans, furnished a rife field for corporate promoters. New corporations were organized for exploiting purposes, old corporations split up their stocks, gave so-called "rights to purchase additional stock", and all the old tricks and many new ones were used. No trouble was encountered in listing these issues on the various old and hastily organized new exchanges. Interest rates increased. Country banks were lured into sending their cash to New York for use as "call loans." Corporations sent to the "call-loan market" not only their huge surpluses, which should have been distributed among stockholders, but also the moneys received by increases in capitalization, which had been obtained for development and expansion.

"'The people, impressed with the assurances of the administration, were easily taken in, and buying of all kinds of stocks reached new levels daily. Large corporate interests, with their capital stock increased by millions of shares, easily induced even their own employees, by means of alluring reports, to become "partners" in these great industries, and every conceivable scheme was resorted to in order to unload these stocks at artificially created prices on employees, their families, and the public. Then came the pyramid of pyramids—the investment trust—a new medium for obtaining millions upon millions of dollars from a misled and inflamed public.

"'Nearly everyone was in. Now, for the first time, the Federal Reserve Board served notice that brokers' loans were excessive and must be decreased. Rediscount rates were increased; interest rates soared; credits were curtailed and moneys gradually withdrawn.

"'Conditions were ripe, and the Wall Street pirates, the "shorts", were ready. They were not going to mold or construct but to hammer and pound to destruction. The first drastic decline was not enough. The conspirators continued unmercifully to throw upon the market thousands upon thousands of shares of stocks which they never owned with the sole purpose of destroying the market value of securities in order that they could repurchase them at their own prices and reap the richest harvest in the history of the Nation.'

"Yes; business started on the down grade in 1927, as Mr. Whitney and Professor Lawrence stated, because the people started to invest in stocks and bonds. The business men, the manufacturers, the professional men, in fact all classes of people, withdrew their savings from the banks and in many instances from the building-and-loan associations to buy securities, being encouraged in this by the leaders and financial prophets of the Nation. And what was the result? Just this. By the fall of 1929 most of the available cash had disappeared, because it had been ruthlessly and brazenly taken away from the people and out of circulation. The country, in fact, was drained dry of liquid money, and with this draining went the purchasing power of the country. Business and industry were left stranded, because the banks and the brokers demanded additional collateral and payments.

"I believe it is clear to any thinking person that the stock exchange has had a potent effect upon the existing conditions and that to a great degree it has been responsible for the crash and the panic from which the country is now suffering. But, lest it may appear to any person that this statement is entirely too subjective or unfair, I quote from a leading French periodical which surely expresses an objective point of view toward this matter:

"'The main theme of conversation these days in all civilized countries is: What happened in Wall Street? How is it possible that the richest country in the world should threaten the stability and integrity of the commercial and industrial life of two hemispheres? Who is responsible for this unheard of cataclysm?

"'For weeks already most disconsolate messages are coming from New York and each message is more disheartening than the previous one.

"'On October 20 it was stated that the spectacular crash of the stock market had ruined tens of thousands of small speculators and involved a depreciation of security values variously estimated at from ten to fifteen billion dollars. It was added that groups of leading financiers met to consider the situation, which affected every part of the United States.

"'On October 24 it was reported from New York that Wall Street experienced the greatest of all stock-market crashes, that 12,800,000 shares were sold within a few hours, that the supreme crash came with a vengeance and surpassed anything that the most gloomy had predicted. The estimated loss of values was given between five and ten billion dollars.

"'On October 28 a second and still greater break in the foremost American stock market took place; it was intimated that sales during the day totaled 9,200,000 shares and that billions of dollars were again dropped in quick time in spite of reports that heavy support by bankers was forthcoming.

"'On October 29 it was reported that the crash of the day before, characterized as the greatest in history, was no more the greatest, that 16,400,000 shares were sold involving losses of $60,000,000,000. It was stated that the stock-market crash wiped out more fortunes and made more paupers than the terrible slumps of 1907 and 1920.

"'All the great New York banks could do, however, was to mobilize their professional bankers. Mr. Charles Mitchell, of the National City Bank of New York, Mr. Francis H. Sisson, vice president of the Guaranty Trust Co., Mr. Alfred P. Sloan, president of the General Motors Corporation, have made bullish statements in which they reassured the world that they were "bigger bulls than ever" and that "recessions resulting from the action of the market will not be violent or of long duration."

"'The United States Government also thought it opportune to reassure the public. Its spokesman, Dr. Julius Klein, Assistant Secretary of Commerce, and an authority on economics, was directed by the President to assure the millions of anxious American listeners through wireless transmission regarding the crash on the stock market that "regardless of regrettable speculative uncertainties, the industrial and commercial structure of the Nation is sound."

"'But, up to the middle of November, there was no "comeback" in Wall Street. It is generally admitted that about 5,000,000 people have been speculating and that approximately $200,000,000,000 were lost; that is at an average of $40,000 each.

"'Now, how was it possible? Well, for the benefit of those who have not read the first issue of Paris-New York, we shall reprint in part what Grau-Wandmayer said in May last, in his article The Orgies in Wall Street:

"'"It is impossible to let pass in silence the gigantic rascalities of a gang of men, mostly international pirates, who are the dominating figures in that pandemonium called 'Wall Street' and who are on the best way not only to loot 120,000,000 Americans, but to defraud a whole world, to undermine the very foundations of the whole economic structure of all countries; who are debauching millions of honest men and women to the detriment of struggling nations and whose only object is to plunder and to steal.

"'"Aided and abetted by scurrilous politicians, Wall Street sharpers have coined a slogan that 'America is enjoying unusual prosperity', and under these false pretenses they have succeeded in causing an inflation of values, which is surpassing the most optimistic dreams of windbags and financial tipsters and the hopes of charlatans offering their shoddy financial wares.

"'"From 8,000,000 to 12,000,000 shares are being turned over daily on New York exchanges and over counters and the money required day by day for gambling purposes amounts to $10,000,000,000.

"'"Never in the history of any country has such a horde of men and women with little capital and financial experience been lured to the center of speculation, and never in the history of any country was gambling so boldly and officially encouraged as in the United States during the last few years."

"'The author of the above-mentioned article further cited serious authorities who claimed that the pretention of those who indirectly influenced the great public to gamble by constantly telling that the country is prospering as never before was untrue and misleading.

"'Said Grau-Wandmayer:

"'"A short time ago, no less an authority than the National Industrial Conference published the results of the investigation of 30 trained statisticians operating under the guidance of said National Industrial Conference, which shows that the 'prosperity' of the United States during last year was spotty in character and that there was a decidedly marked contrast between the extraordinary high level of financial activities in Wall Street and the lower volume of general business. It was stated in the report that available statistical data for December in January last do not indicate any marked change for better or worse in the general business situation which characterized the past year as a whole. Furthermore, complete statistical information made it clear that, so far as prevailing measurements of business go, 1928 was a year of less than normal growth in general business activities in the United States.

"'"The year was notable only for a few months of high activity in iron and steel, in automobiles and related industries, and in building construction.

"'"It is now being conceded that the 'prosperity' in the United States is only a paper prosperity with stock gamblers taking all the profits. The people as a whole are not only no better off than they were years before, but the middle classes are being pauperized through well-known process of inflation."

"'There cannot be the slightest doubt about it that the Wall Street disaster will ruin business in all parts of the world and that we may face prolonged hard times. The collapse was so titanic and far-reaching that its catastrophic results cannot yet be grasped.

"'In former market panics only relatively few persons were affected. Stock speculation in former times was confined to a small portion of population. At the time of the great deroute 17,000,000 people were registered as stockholders.

"'Now, what is the United States Congress going to do about it? * * * The trouble is that the majority of American legislators speculate at various times on various exchanges, and that the so-called "financial leaders" are fundamentally dishonest. All those bankers who tried to oppose or actually defied the action of the Federal Reserve bank which tried to discourage speculation have acted in bad faith. We wish to mention only the nefarious role played by the president of the National City Bank of New York, Mr. Charles Mitchell, who boldly denounced the restrictive action of the Federal Reserve bank tending to curb speculation.

"'The National City Bank of New York, that greatest bank in the country, is particularly unlucky in its selection of men to whose supposed integrity people are intrusting their money. It must be remembered that one of its former presidents was responsible for the fact that the American people have lost nearly a hundred million dollars in Russian securities; that his successor, Mr. Stillman, was involved in a tremendous personal scandal before the courts in New York; that the National City Bank's sugar speculations in Cuba resulted in almost ruining that country, so dependable on Wall Street. Now, it is its present first executive, formerly its first bond salesman, who tried to prevail on professional gamblers to defy all warning, to hold on, because his bank profited so enormously by lending money on exorbitant rates and also by inviting the banks of the world to divert the funds intrusted to them for legitimate purposes and to send those funds to the City Bank for speculative broker loans. The National City Bank had to close in 1923–24 about 40 branches in all parts of the world, because people distrusted that bank's management, and now the same bank is again penetrating foreign countries looking, as it seems, this time for foreign capital to support Wall Street speculators.

"'We regret that lack of space does not allow us to give to our American readers a short review of some of the foremost European papers regarding the New York Stock Market disaster. It would be interesting and instructive. These papers are mostly reserved in their utterances, but the gist of their comments is "Cave Americanem."'

"In 1929 the officials and directors of large corporations, being well aware that securities were selling far above their intrinsic value, began to sell 'against the box' to protect the gains made in the value of the stock they held—stock that had been gyrated to dizzy heights by 'wash' sales, false reports of fabulous earnings, pool manipulations, and misleading financial reports. Mr. Whitney naively disclaims any knowledge of such practices and asks for proof. I must state that my evidence is purely circumstantial, yet such factual evidence as exists—and make no mistake about it, gentlemen, it exists—is confined to the exchange members themselves. And how, I ask you, can one derive any knowledge of a corporation unless one has access to the records? These records are proof, and this explains Mr. Whitney's solicitude in preventing an examination of the exchange records.

"Professor Lawrence stated that he sympathized with the poor unfortunate short sellers; he gave us figures of the cost of short selling and endeavored to show us what the short seller contributes. That being the case, my bill will protect the short seller, and he should have no complaint. Professor Lawrence also pointed out that the unlisted stocks and the stocks not sold short suffered as great a deflation as those sold short. It is amusing for me to note what little respect these professors and New York lawyers have for the intelligence of the Members of this House. Do they not know that these unlisted stocks and bonds naturally follow the trend of the listed stocks and that bonds have suffered because many people in despair have been forced to sell their bonds and unlisted stocks rather than sacrifice the listed stock which they bought at the boom period with the encouragement of our financial and political prophets? Does Professor Lawrence feel that we do not know that the value of bank

stocks is bound to be affected when billions upon billions of deposits have been withdrawn from the banks and from the legitimate business channels?

"In addition, he has stated that there are 10 'bulls' to 1 'bear.'

"Up to a year ago the percentage was much greater, but due to the publicity which the 'bears' have received the ratio on the 'bear' side has naturally increased. And this, I believe, is another important reason why short selling should be prohibited or restricted without delay.

"There are other and more urgent reasons why we should legislate in this regard before it is too late. Thousands of people in an attempt to recoup their losses have again been 'taken in' and deprived of their last penny. It is to protect those who have lost everything and are in despair and who will be tempted to take long chances in order to recover their losses that we must curb this vicious practice. And, above all, it is to prevent a recurrence of the cataclysm in which we now find ourselves; a cataclysm which robs a people of their finer qualities and in passing leaves them cinderlike—hard, scarred, and misshapen. The great mass of the American people will never forget the haunting memory of these years and will censure us if we do not act, and act quickly."

Although you may or may not agree with me that it is a fair statement, yet I do not believe it brings home to you gentlemen all of the facts that I should like to have you know. Therefore I shall just ramble along and give you an outline of my efforts to correct this evil.

Short selling, gentlemen, is not a new question with me. I have been opposing it for more than two decades. However, it was not until 1929, when conditions appeared timely for a gigantic social and economic upheaval, that I began to attack this practice in earnest. I have been through several panics and crises and was acquainted with the conditions leading up to them as well as the part played by the short sellers. Gentlemen, we look with horror upon the ghouls who slink about under the cover of darkness to rob the dead. Yet these men, under a cloak of respectability, move about spreading false rumors, preying upon the fears and shortcomings of men, and breaking down this confidence of the people in our industry, our institutions, and our Government. The ghouls rob the dead; these men rob the living of their life savings and the Nation of its lifeblood. And yet nothing is done about it. Some day posterity will look upon the stock-exchange manipulations and practices of 1928–32 as the greatest crime committed upon the people of the Nation, and will hold those who had the power to stop these practices responsible for the great catastrophe that has occurred.

You are undoubtedly aware of the fact that the wealth of the Nation, due to the manipulations in stocks, has been reduced by nearly $150,000,000,000; that the stocks which are listed on the New York Stock Exchange and other exchanges are worth only 20 cents on the dollar; and that although their former value was about $170,000,000,000, today it is about $32,000,000,000. And when we take into consideration that in this terrific crash over 20,000,000 of our people have been imposed upon and made nearly penniless, then you will agree with me, I know, that we have permitted conditions to exist which should have been prohibited long ago.

In November 1929, when I saw what was going on, I wired the President, asking him to stop this abuse. I also sent telegrams to the chairman of the Federal Reserve Board, the Secretary of the Treasury, and the presidents of the stock exchanges.

And a few days afterward the officials of the New York Stock Exchange issued the so-called "questionnaire", requesting brokerage houses to make reports of the short sales. Of course, you know that the market immediately righted itself, and that it went along that way for 2 weeks until the officials saw fit to rescind the ruling; and then again the crash continued.

Mr. CONDON. What was that date? Will you put that in the record now?

Mr. SABATH. That was November 14. Now, may I insert here in the record, Mr. Chairman, my telegram to the President and to the board of governors of the New York Stock Exchange?

Mr. MCKEOWN. Yes.

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CHICAGO, ILL., *November 12, 1929.*

His Excellency, HERBERT HOOVER,
President of the United States, Washington, D.C.:

Today's New York press dispatch states that the professionals are still selling short. I am satisfied that 99 percent of the American people feel that this outrageous destruction of the small investors has gone far enough and that immediate steps are needed to save the Nation from the disastrous conditions that are bound to follow. It is the consensus of opinion of well-informed men that you, Mr. President, should call upon the financiers of this Nation to stop profiteering and formulate and carry out a plan to save the Nation from dire calamity.

A. J. SABATH.

CHICAGO, ILL., *November 12, 1929.*

The BOARD OF GOVERNORS,
The New York Stock Exchange,
New York City, N.Y.:

Today's New York press dispatches state that short selling is increasing. In view of conditions I express the opinion of many well-informed men that the board, having power to stop all short selling, should do so immediately, since the existing dangerous conditions demand such a step and may be helpful and beneficial to the entire Nation. Failure of the board to act may bring about conditions the seriousness of which no one can foretell and for which the board will be held responsible.

A. J. SABATH.

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At that time the officials claimed that they did not know of any short selling, but later on I will be able to show that the professional short selling began early in the fall of 1929, when all of the insiders, namely, the officials and directors of large corporations, who were aware of real conditions, were selling "against the box." There is no question that thousands upon thousands of shares were sold in this obviously unfair and unjust manner.

Now, to my mind the action of these officials and directors was not only unfair and unjust but criminal; it was like playing with the working people, who were asked to invest and did invest their funds, with loaded dice.

And they had the President and Mr. Mellon and others tell the people to come in and buy stocks—that stocks were cheap and would go higher; that is, while they themselves were selling—thus obtaining money from millions of American citizens under false pretenses. And I am satisfied that if these individuals were brought before any unbiased judge and this evidence submitted, the court would be obliged to find them guilty of a crime. Why, we convict people every day for obtaining a few hundred dollars on false pretenses. But here we have thousands of cases where the American people have been mulcted out of billions and billions of dollars, and no one has been convicted.

Now, the fact is, Mr. Chairman and gentlemen, that I have continued to harass the stock-exchange officials and Mr. Whitney with my telegrams and letters. And I have appealed to the President, and, in fact, everyone who I thought would help me stop this abuse, including the Postmaster General and the Attorney General. I ask leave at this time to insert these telegrams and letters in the record.

Mr. MCKEOWN. Those will be admitted in the record.

(The telegrams and letters referred to and subsequently submitted by Mr. SABATH are as follows:)

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CHICAGO, ILL., *December 26, 1929.*

His Excellency HERBERT HOOVER,
President of the United States,
Washington, D.C.:

For the purpose of restoring confidence and stabilizing business, industrial leaders of the United States have pledged themselves to cooperate; but a small coterie of gamblers willfully and deliberately, through short-sale manipulations, are not only undoing your constructive efforts but are further demoralizing business and general conditions. The exchanges which have it in their power to stop this destruction by stopping the tremendous short selling are indifferent to your efforts and the welfare of the country. In order to bring about your aims, I feel you should demand cessation of these purely gambling ruinous activities of the destructive forces. The large number of genuine investors of this country who own more than 90 per cent of its securities outright can demand that their values are protected against vicious manipulation and that their peace of mind is protected so that they may continue their work unharassed.

A. J. SABATH.

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CHICAGO, ILL., *October 11, 1930.*

BOARD OF GOVERNORS,
New York Stock Exchange,
New York, N.Y.

GENTLEMEN: A year ago, before the crash, I wired you that in the interests of the Nation all short selling should be discontinued. A few days later you issued a questionnaire to your members as to the loanings and borrowings of stock and market conditions improved. But within a few weeks you withdrew the questionnaire, with the result that another wave of short selling ensued, and is still continuing to the detriment of the entire country.

I have tried in every way by congressional action and through the administration to put a stop to the destructive practice of short selling but failed to obtain any cooperation at that time. You have permitted, sanctioned, and even approved of this infamous practice. Therefore I view with some degree of satisfaction the report in today's newspapers that you have declared war on the "bears." But instead of war, it is merely an apologetic request upon the organized destroyers of our stability, commerce, and business to be careful as their mass and collusive bear raiding.

This, to my mind, will not satisfy the American people. They now demand that not only the concentrated but all short selling cease, if not for all times, at least long enough to give business and industry a chance to recuperate from the Nation-wide depression and unemployment. I am convinced that this demand will not subside until this destructive practice ceases.

Neither you nor your shrewdest publicists can successfully deny or contradict the fact that these very manipulators in 1927–28 forced the prices of securities to unjustifiable heights and in the latter part of 1929 started the short-selling campaign, utilizing every conceivable rumor to aid them in their treasonable action which has brought about the greatest, most destructive financial tornado in the history of our land. A storm which wrecked hundreds of banks and financial institutions, closed thousands upon thousands of businesses, destroyed thousands of factories and

plants, thereby forcing out of employment millions of our citizens, and causing untold want and misery.

But this is not all. The life earnings of from ten to twenty millions of citizens were swept away; the very lives of hundreds of men have been taken; thousands have been driven to insanity. All this should and could have been avoided if your exchange and similar institutions had the slightest interest in the country's welfare.

I again call upon you to stop immediately all short selling, if not for the country's sake then do it for your own, as failure on your part to act may eventually stop not only short selling but all gambling transactions on all the stock exchanges and boards of trade.

Very truly yours,

A. J. SABATH.

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CHICAGO, ILL., *October 16, 1930.*

His Excellency HERBERT HOOVER,
President of the United States, Washington, D.C.

DEAR MR. PRESIDENT: A year ago, before the crash, I called your attention to the approaching alarming conditions and advocated and pleaded for a cessation of the disastrous pool, short-selling practice.

Therefore I read with some satisfaction in today's press of a conference you held with the New York Stock Exchange officials regarding short selling and the investigation of stock-exchange transactions by the Department of Justice. The report indicates that they question the Government's power to stop this prosperity-destroying practice.

No one can successfully deny today that the stock crash, to which you alluded in your December message, was responsible for and aggravated the conditions that have brought about the wrecking of hundreds of banks and financial institutions, the closing of thousands upon thousands of businesses, the destruction of thousands of factories and plants, thereby forcing out of employment millions of our citizens and causing untold want and misery.

It is known to be a fact that the New York Stock Exchange can curb short selling by the issuance of an order that all loanings and borrowings of stocks cease. This will bring short selling to a minimum. If the stock exchanges have any interest in the welfare of the Nation and in the reestablishment of confidence, they will, if not for the country's sake, then for their own sake, issue immediately such an order without questioning the power of the Government to stop this nefarious practice.

This in a great measure will eliminate uncertainty and will have a tendency to reestablish confidence, which is so sadly needed, for the resumption of the legitimate business of the country. Please be assured that my activity against these destructive shorts is prompted only by a sincere desire to improve the deplorable conditions of the Nation.

Permit me to remain, respectfully,

A. J. SABATH.

THE WHITE HOUSE,
Washington, October 17, 1930.

Hon. A. J. SABATH,
House of Representatives, Washington, D.C.

MY DEAR MR. SABATH: Your letter of October 16 has been received and will be brought to the attention of the President.

Sincerely yours,

LAWRENCE RICHEY,
Secretary to the President.

CHICAGO, ILL., *June 10, 1931.*

BOARD OF GOVERNORS,
New York Stock Exchange, New York, N.Y.:

Notwithstanding your questionnaire on borrowed stocks, the newspapers continue to call attention to the bear raids which are causing continuous uncertainty and fear and are making impossible reestablishment of confidence; therefore I again urge in the interests of the Nation as well as of your institution to stop all short selling, as the situation is serious and you should do your part to relieve conditions.

A. J. SABATH.

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CHICAGO, ILL., *September 23, 1931.*

To His Excellency HERBERT HOOVER,
President of the United States, Washington, D.C.

MY DEAR MR. PRESIDENT: I again take the liberty of asking that the governmental facilities be prohibited to the unlawful and criminal activities on the part of the professional short sellers who, beyond any doubt, are responsible for the great panic. No evidence of my position is necessary other than the statement on short selling of Mr. Whitney, president of the New York Stock Exchange, made the day before yesterday:

"During the present emergency it would tend to bring about a condition of demoralization in which prices would not fairly reflect market values."

I feel that it has been clearly demonstrated that if short selling ceases confidence can and will be restored and business resumed. I repeat, the Government has the power to stop this unlawful—yes, criminal—gambling practice.

Yours very respectfully,

A. J. SABATH.

THE WHITE HOUSE,
Washington, September 25, 1931.

Hon. A. J. SABATH,
Chicago, Ill.

MY DEAR MR. SABATH: Your letter of September 23 has been received, and I have placed it before the President. He has read it with interest.

Sincerely yours,

LAWRENCE RICHEY,
Secretary to the President.

CHICAGO, ILL., *September 23, 1931.*

Mr. RICHARD WHITNEY,
President New York Stock Exchange, New York, N.Y.

DEAR MR. WHITNEY: I was ready to congratulate you on your splendid and straightforward statement regarding short selling made on last Monday but I read today that the order banning short selling has already been rescinded.

In view of what you yourself have said about the demoralizing effect of this practice, I cannot conceive of any reason for this rescinding order.

For 2 years I have appealed to your patriotism and good citizenship to stem the growing depression by using your efforts to stop the destructive practice of selling short. Your statement and the 2-day ban helped considerably, the market reacted favorably and saved the situation when Great Britain suspended the gold standard.

I believe that a continuance of the restriction of short selling will be a great factor in helping to reestablish confidence in the people and in the restoration of business, and I hope that you and the governors of the exchange will see your duty clear to again ask your members to refuse to accept short-sale orders, thereby helping the entire Nation.

It is within your power to do this, and by so doing you can forestall legislation that will go away beyond the prohibition of short selling.

Very truly yours,

A. J. SABATH.

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CHICAGO, ILL., *October 5, 1931.*

Mr. RICHARD WHITNEY,
President of the New York Exchange,
New York City.

DEAR SIR: More than 2 years ago—even before the stock-market crash—I appealed, supplicated, and finally demanded that short selling, and particularly professional short selling, be stopped, feeling at the time that unscrupulous gamblers would take advantage of the then impending depression. I pointed out that in order to save the Nation from financial chaos and misery it was absolutely imperative to prevent, or at least restrict, short selling, for tremendous short selling was bound to affect not only stocks but bonds also, and thus impair the position of most of our banks, which held much of these securities as collateral.

These appeals I have reiterated on various occasions since then, but to all of my appeals you either have turned a deaf ear or have attempted to defend short selling as a necessary "brake" on "dangerous inflation." Yet during the period of extreme inflation, from 1925 to 1929, inclusive, short selling as a "brake" was of little or no consequence.

To be fair, I must concede that on November 12, 1929, or thereabouts, you did send out a questionnaire to the members of the exchange regarding the scope and extent of the short interest, though it is my recollection that the questionnaire, probably because it centered hostile attention on the large short sellers, had a very favorable effect on the market, which changed for the worse again almost as soon as the questionnaire was withdrawn. I must concede, also, that you did request, on the day preceding Britain's abolition of the gold standard, that short selling should cease temporarily; though the result was as I expected—the market reacted favorably, notwithstanding disquieting news from London. In both instances it was obvious to me that when short selling was prohibited the market seemed to adjust itself favorably.

In view of the alarming conditions, I feel it is imperative that short selling should cease immediately. The extreme inflation and the present deflation caused by professional short selling is responsible for the closing of 2,000 banks, has thrown more than 8,000,000 people out of employment, has sent thousands of business men into bankruptcy, and has brought misery and dissatisfaction to the entire Nation.

When I began my crusade against unmitigated "bear" operations 2 years ago, a majority of the financial publicists and economists, influenced by the avaricious professional short sellers, retarded my efforts. Today, however, not only enlightened economists and unsubserviant newspapers but that same apathetic group are beginning to realize the destruction that has been done. There is no question that the matter of the prohibition of short selling will be taken up in the next session of Congress.

Before Congress convenes, however, I am hoping that you will see the justice and righteousness of my position and restrict short selling of your own volition. Failure on your part to heed my warning to stop short selling may result in a demand to suspend all trading on the stock exchange until strict regulatory laws are enacted.

Very truly yours,

A. J. SABATH.

CHICAGO, ILL., *December 1, 1931.*

Mr. RICHARD WHITNEY,
President New York Stock Exchange,
New York City, N.Y.:

The current issue of Barron's states: "Meantime short selling has lost none of its vogue with the rank and file. The practice is general on all sides, so easy and so prompt have been the results." Wall Street tipster services disseminated by the vast majority of the brokerage houses throughout the United States in the interests of the shorts are endeavoring to create fear in the minds of the people against the approaching session of Congress; all with the deliberate intent to destroy whatever confidence there still remains. By immediately prohibiting short selling you can easily put an end to this vicious destructive propaganda and save the Nation, as well as your own institution, from complete demoralization. This action is absolutely necessary, inasmuch as your so-called "restrictive measures" have signally failed, as is stated by the best informed authorities on Wall Street.

A. J. SABATH.

Mr. SABATH. Thus it can be readily seen that I have done everything humanly possible to make the stock-exchange officials and the administration realize the destructiveness of short selling and the need for prohibiting it, at least, until conditions return to normal.

Now, Mr. Chairman and gentlemen, I shall try to bring home to your minds these vicious practices, as I view them, as well as I can; and I hope you will bear with me.

At the beginning all I received for my efforts in annoying them with those communications was condemnatory letters, mostly emanating from the offices of the brokers on Wall Street and LaSalle Street.

But finally Mr. Whitney realized that the people were beginning to take notice, and so in 1930 he began to defend his position. His first speech in defense of short selling was delivered in my city [Chicago] on Otober 10, 1930, just about a year after I started my crusade. He delivered the next one at the Hotel Astor on September 17, 1931; the third at Hartford, Conn., on October 16, 1931; and the last on December 15, 1931.

Mr. LAGUARDIA. That was at Syracuse, was it not?

Mr. SABATH. That was at Syracuse. All of these speeches were broadcast over the radio, and every stockbroker was requested to listen in, and, in addition, every investment house received a special communication from Mr. Whitney informing it that copies of the speeches would be forthcoming and asking that it make a general distribution of these speeches to all customers and boardroom habitues.

Mr. CONDON. Of course, you do not condemn him for that, do you? He had a perfect right to make out his own case, did he not?

Mr. SABATH. No; I do not. But what I say is that he appeared here a few days ago, directly and indirectly defending the practice of short selling.

Mr. LAGARDIA. And doing more than that, Mr. SABATH; not only defending it, but justifying it and urging it as a necessity for the accomplishment of business.

Mr. SABATH. Yes; and he and the professors who have been sent down here by the stock exchange, notwithstanding the fact that they did not expressly say so——

Mr. CONDON (interposing). Well, Professor Lawrence did.

Mr. LAGUARDIA. And so did the other gentleman.

Mr. SABATH. Yes; perhaps so. In response to my inquiry addressed to the Wharton School of Finance and Commerce of the University of Pennsylvania as to whether or not Professor Huebner really represented the university, as he originally stated when he was here, and as I expected, I received the following letter from the dean:

UNIVERSITY OF PENNSYLVANIA,
Philadelphia, February 20, 1932.

Mr. A. J. SABATH,
House of Representatives, Congress of the United States,
Washington, D.C.

MY DEAR MR. SABATH: Your inquiry of the 19th instant has been received. As stated in the press, Prof. S. S. Huebner appeared before the Judiciary Committee of the House of Representatives on behalf of the Stock Exchange of New York. He had not been delegated to speak for the university.

Sincerely yours,

EMORY R. JOHNSON.

Mr. LAGUARDIA. Well, I think in fairness to Professor Huebner, Mr. SABATH, it should be made clear that he said he was of the faculty there; and I asked him if he was a consultant, and he said, yes; he was a consultant; and I asked him if the stock exchange has asked him to come here, and he said, yes. Is that not so?

Mr. CONDON. Yes.

Mr. SABATH. Well, I was not present.

Mr. LAGUARDIA. There is no doubt that he came here in a professional capacity.

Mr. SABATH. That is all right. I was not present when you asked him those questions.

Now, Mr. Whitney and these experts lay great stress upon the fact that this practice is permissible and that it is legal. I concede that where there is delivery some of the courts have held that it is legal. But in all instances where there is no intent of delivery the courts have criticized it and have declared it to be pure gambling. In this connection, I have several cases here which I wish to embody in the hearings, though I wish I had the time to read the severe criticisms made by some judges. I am embodying these cases, and there are three or four of them, merely to offset the statements which have been made that all courts have declared that short selling is legal and valid and that they have looked upon it with favor.

(The citation of cases reads as follows:)

"A short sale is not per se illegal as a gambling transaction: *Boyle* v. *Henning* (121 Fed. 376), *Appleman* v. *Fisher* (34 Md. 540), *In re Taylor* (192 Pa. 304).

"However, such a transaction is illegal if an actual sale is not contemplated and the real intent is to speculate in the rise and fall of prices: *Riordon* v. *McCabe* (341 Ill. 506), *Hurd* v. *Taylor* (181 N.Y. 231).

"The case of *Riordon* v. *McCabe*, supra, recently decided by the Illinois Supreme Court, would, in the light of the transactions held on the Chicago Board of Trade, make a great part of them mere gambling, being, in fact, bets and not contemplating the delivery of any property of any kind.

"Another important case on this subject decided by the Supreme Court of the United States (*Clews* v. *Jamieson*, 182 U.S. 461) reads in part as follows:

"'If, however, under the guise of a contract of sale the real intent and purpose of both parties is to speculate in the rise and fall of prices and the property is not to be delivered at the time fixed for delivery and one party is to pay the other the difference between the contract price and the market price, the whole transaction must be considered as a wager and invalid.'

"The reason for this rule is well stated by an early case (*Melchert* v. *American Tel. Co.*, 11 Fed. 193) in one of the district courts of the United States:

"'Such a dealing amounts to a mere speculation upon the rise and fall of prices. It required no capital except the small sums demanded to put up margins and pay differences. It promotes no legitimate trade. Any impecunious gambler can engage in it with infinite detriment to the bona fide dealer. It enables mere adventurers at small risk to agitate the markets, stimulate and depress prices, and bring down financial ruin upon the heads of the unwary, * * *. Black Fridays are its legitimate progeny.'

"Other cases might be cited, all to the same effect. A case, *Hurd* v. *Taylor* (181 N.Y. 231), which may be said to be the leading case in that State, clearly holds that a so-called 'short sale' may be conducted on the exchange the same as any other sale; but there is this well-understood rule that is found in this case and every other case which approves the short sale, that there must be a delivery of the stock. If the delivery is not made and such is not in contemplation by the parties, then the transaction is a wager. If it is understood that the broker keeps the stock so purchased in his name and never places it in the name of the customer and deals with it as if it were his property and keeps the gains and losses in a set of books which are the final basis of settlement, and the parties do not have in mind to do anything other than pay in cash the difference at the end, which in truth describes thousands of accounts, then such dealings do not come within the approved rule of short selling of any court of any State, but are described in all the cases as gambling."

Mr. LAGUARDIA. Mr. SABATH, only yesterday our colleague from New York, Mr. OLIVER, put in the record a decision rendered by the Supreme Court of the State of New York in the latter part of February—after Mr. Whitney had testified before this committee—characterizing these practices as to short selling——

Mr. SABATH (interposing). I cannot see how any honest judge or court can rule that it is legal or valid. Why, any rational person knows that short selling is nothing but pure gambling.

Mr. OLIVER. Judge SABATH, would you prefer to have us ask you questions as you go along, or would you prefer to go ahead with your statement uninterrupted?

Mr. SABATH. Well, I am trying to answer their defense first.

Mr. OLIVER. Then I do not want to disturb you; you may proceed.

Mr. SABATH. And when I get through with that I shall be glad to answer questions.

You have heard them say so often that short selling acts as a "cushion." The trouble with us is that many Members of the House are so busily engaged with their manifold duties that they are misled about these things.

Mr. Whitney, able man that he undoubtedly is, must hold the members of this committee and the people of the Nation in contempt by submitting figures purporting to show that the total short interest at any one time was insignificant when compared with the total amount of shares outstanding and by expecting them to draw the only inference—that short selling is of no consequence. I believe he said that at the height of the panic the ratio between the amount of shares sold short and the total amount listed was about one eighth of 1 percent. But why Mr. Whitney has chosen to compare the numbers of shares sold short with the total amount is indeed difficult to understand. Certainly it would be more a manifestation of common sense to compare the total short sales with the floating supply, or, of infinitely greater value and import, the total short sales with the total long sales on any given day. It has been stated that the market was never short at any one time more than 4,000,000 shares and that this small amount could not possibly affect the movement of millions of shares. To reason thus is to betray a lack of knowledge of trading. It must be plain that no short sellers would be so foolish as to spread short over the entire list of securities, many of which are seldom traded in during the year. The truth is that "bull" and "bear" operations are concentrated on a few pivotal

and volatile securities which are pushed up and down at will. The rest follow naturally enough.

Every short sale is made with the deliberate intent to destroy whatever commodity or stock that the short seller may sell. A short seller is not a producer. A short seller is a destructive individual; he is trying to destroy a thing that another man owns or produces. And I can hardly grasp the thought that we should have permitted such practices for so many years.

Mr. CONDON. May I ask you a question there?

Mr. SABATH. Yes.

Mr. CONDON. In that connection, may not the reason for it be this, that the short seller is trying to get stocks back to a value which he considers is fair, rather than the inflated values that he finds those particular stocks have when he starts his operations? In other words, is he not using his judgment as to what should be the true value of the stock? That is a question that I should like to have you answer.

Mr. SABATH. No short seller ever has the interest of a particular commodity or stock in mind. His mind is occupied with the question, how much money can I make on that particular deal? His aim is to make money; do you understand?

Mr. CONDON. Yes; but——

Mr. SABATH (interposing). And he sells short, not to equalize the prices, not to adjust the conditions, but to make money.

Mr. CONDON. May I suggest that that is the motive of all men of business—to make money, and as much as they can?

Mr. SABATH. This is not business, but a destructive practice; because anyone, even a fool, can destroy; but it takes a man of ability to help to build, to construct.

Mr. CONDON. Well, what do you think of the men who build up to such inflated values that many fools rush in to try to get some of that "easy money"?

Mr. SABATH. Now you have asked me something that I am mighty pleased to answer. I have no excuse for, and am ready to condemn the men who willfully and deliberately inflated values of the stocks. But I believe you will find that they are the same men who today are selling short; that they were the "bulls" in 1928 and 1929; and that they are bankers and officers of corporations. They are men who stand high in our communities. They go to church on Sundays and give little donations here and there to the poor. They are the men who have accumulated millions upon millions of dollars at the expense of thousands of widows and dependents who today are homeless and penniless.

I say that these men who caused the criminal inflation and who are destroying today should be publicly censured and restricted in their activities; and I am trying, if that be possible, to restrict them in their infamous operations.

Mr. CONDON. And that, you say, includes short selling and also selling long on the market?

Mr. SABATH. All professional manipulation, gambling, and pool action.

Mr. CONDON. Then the operations of all kinds on the stock exchange ought to be forbidden?

Mr. SABATH. No. I am not opposed to legitimate sales; and there is no question that a great number of the sales made are legitimate. But is it necessary to sell a certain stock 10 times every month, or 3 times a day? Is it necessary to turn over the total stock issued by a company every 4 days—as was the case in the J. I. Case stock in 1931? That is gambling. I do not object to a legitimate stock exchange or market place; but do we need to have three or four or five million shares, or ten million shares, of stock sold in a day? That is a professional market.

I want a man who owns stock to have a chance and an opportunity to sell it at the market—not an artificial and criminally manipulated market but a legitimate market.

Now, I have something here that might interest you in connection with that; and I ask you whether you think it is necessary to sell millions of shares of stock every day to create a legitimate market?

I have here a statement from a gentleman named A. V. Shaw; he states:

"The entire common capitalization of a well-known company listed on the New York Stock Exchange was sold 94 times on the stock exchange in 2 years, in 1930 and 1931. The commissions alone on this turnover amounted to over $8,000,000, or more than the entire issue was worth at the close of 1931."

Now, do you think these were all legitimate sales? No one is gullible enough to believe that they were. This was a clear-cut case of gambling, nothing else but dishonest gambling; and that, gentlemen, is what I am trying to stop.

I will tell you why these gentlemen of the stock exchange are so much interested in maintaining a free and open market, as they choose to call it. It is not so much because they are interested in providing a ready market for securities, as Mr. Whitney would have you believe, but rather because they are interested in continuing the activity that such a market represents. A free and open market means activity, and activity means business in the form of commissions and loans. Do you know that in 1929 the brokers' commissions and interest charges on loans amounted to $959,000,000? That sum, I believe, speaks for itself, and no expression of solicitude for the customer by Mr. Whitney or the gentlemen sent here by the exchange can mitigate the importance and significance of these figures.

Mr. YATES. What year was that, Mr. SABATH?

Mr. SABATH. 1929. Now, permit me to insert here the number of shares listed, the market value of them, the percentages, and the cost of operation. These figures were not compiled by me, but by Mr. E. C. Riegel, of New York.

The statement referred to was subsequently submitted by Mr. SABATH and is as follows:

New York Stock Exchange record, 1929

Number of shares listed		942,492,072
Sales of shares		1,124,603,910
Market value of sales		$112,460,691,000
Brokers' loans (average constant)		$6,000,000,000
Commissions to brokers on stocks	$449,843,564	
Commissions to brokers on bonds	7,550,790	
United States and New York revenue charges	44,984,356	
Interest charges (average 7.62 percent	457,200,000	
Total brokers' charges to customers		$959,578,710
Dividend yield on all listed shares (average 3¼ percent)		$3,654,978,957
Brokers' charges on stocks (compared to market price	percent	0.85
Ratio of brokers' charges to dividend income	percent	26.00
Net dividend return	percent	2.40

"The above figures are not absolute, but are approximately correct and reveal a picture the stock exchange does not care to have revealed. It shows tnat by pyramiding prices and cnarges the stockholders' income during the boom was reduced to the small percentage of 2.40, or about one third of what it is now during depression. Of course, the stockholder who did not 'trade' did not suffer from this shaving process. On the other hand, a man who ran a 'trading' account of about $1,000 per week, with a weekly turnover, paid 52 times 0.85 percent, or 44.20 percent of his capital. With this sort of capital bleeding it is obvious that listed stocks must sooner or later develop a list, and that from an income standpoint, if 'traded' in upon the exchange, are a very poor buy. What the scalping process of the exchange is worth to the members may be seen from the price of a membership, which in 1929 sold as high as $625,000. With 1,100 members at that time the 'bookie value' of the New York Stock Exchange was $687,500,000. Today, with prices down, dividends high, and 'trading' small, the racket is valued, according to a recent sale of a seat, at about 25 percent of the 1929 value. In other words, the more the stockholder gets for his money the less a seat on the exchange is worth and vice versa."

It is amusing to note how far some gentlemen will go in trying to defend short selling. If my memory serves me, there was Professor Huebner, who said, "Oh, yes; that will prevent a man who is away from his home and owns shares of stock from selling them."

Mr. Chairman, this is not a short sale. I do not object to such a sale. In this case the man owns the stock, and the stock exchange can easily adopt a rule stating that when a man is away from his place of business or is traveling he can have additional time to deliver such stock. You understand that, I hope. I do not propose to deprive a man so situated of an opportunity to sell, it matters not where he be.

Mr. Whitney and others assert that stock prices are the result pure and simple of the great economic law of supply and demand and that they are an expression rather than a cause of this depression. Permit me to say that I disagree with Mr. Whitney and his gentlemen. In theory the stock prices should reflect the law of supply and demand and should be an effect rather than a cause. Yet a cause they are, for the natural law applies only to a condition where there are no unnatural machinations to interrupt it. Would any person deny that "wash sales", pool operations, misleading financial reports, and the circulation of false statements interfere with the law of supply and demand? I hardly think so.

Mr. Chairman, there was nothing to prevent short selling in 1927, 1928, and 1929. Why did not short selling do then what is claimed for it now? The answer is simple. The individuals who really determine the trend of the market and who are now "bears" were then "bulls." They were no more interested in equalizing prices or stabilizing the market than they are now as "bears." Ask the small short sellers who in 1928 and early in 1929 sold short in the belief that stock prices were too high—which, in fact, they were, selling in many instances more than 5 to 10 times their value—what happened when they went against the trend of the market. You will find that nearly all of them were thoroughly beaten and cuffed around. Ask them whether their sad experiences have taught them anything. I am confident they will say, "Do not trade against the trend of the market", to put it more correctly, "Do not trade against the trend created by the big operators."

The exchange, says Mr. Whitney, regulates all possible wrongdoing. Of course, it is difficult to understand just exactly what Mr. Whitney means, for he has a delightful way of being ambiguous. Oh, I have no doubt that when there is an apparent irregularity on the part of some member or brokerage house, for example, when some widow is swindled out of her life savings, heroic measures are used to punish the offenders. However, when cases of irregularities or wrongdoing are not so apparent—and I should say that a majority of the irregularities are of this nature—little is heard of punishment meted out, if any at all. Take, for instance, this question of "bear raiding."

In his broadcasts and talk before the committee Mr. Whitney was profuse in his statements that the exchange, while opposed to any restriction on short selling, is doing everything in its power

to prevent "bear raiding." Yet, during the course of his testimony before the committee, when he was asked how many individuals were punished by the exchange for "bear raiding" in the last 2 years, he made the startling statement that, although there had been many alleged instances of this practice, the committee on conduct could find no evidence of a single violation of the rules of the exchange in this regard, and therefore that no one had been punished.

Frankly, gentlemen, I am more interested in action than I am in profuse expressions of action. But I find it difficult to understand how it is, in the light of what has happened in the last 2 years, that this committee on conduct can find no evidence of this practice. Day after day editorialists and reputable financial writers inveigh against this vicious practice, and yet there is no "bear raiding." It is, of course, quite possible that there has been, and is, some measure of overstatement in these newspaper reports and editorials, but I am convinced that such information would not be published unless there was some basis in fact.

Mr. Whitney also stated that the exchange is extremely watchful in preventing corners, among other things. And in his speech, broadcast from Hartford, Conn., on October 16, 1931, he said, in reference to the ban that had been placed on short selling directly after Great Britain had gone off the gold standard, that "within two hours after short selling was forbidden, the governing committee found there was a real danger of technical corners and of crazy and dangerous price advances."

I must admit that I cannot follow his reasoning. I have a list of securities picked with reference to their volatility, and only in one instance has the oscillation been more than five points. If that constitutes a "crazy advance", I should like to know what the officials of the exchange thought of the advance in the stock of the Vanadium Corporation in 1929 when it was gyrated from $37 to $145. It appears quite evident to me that there was some form of irregularity here; that some group of individuals had cornered the floating supply and had pushed the stock up to the limit. The same may be said of the extraordinary movements of the stock of the Simmons Co. and the United Aircraft Co., not to mention a host of others. Yet I have no recollection of any investigation being held in regard to these apparent irregularities.

Short selling, said Mr. Whitney and Professors Huebner and Lawrence, is not the cause of the depression; the underlying cause is the forced liquidation. And as proof of their contention they submit figures showing that in the bond market, where short selling is practically nonexistent, the decline in the value of bonds has been almost as severe as that in the value of stocks. Now, no one, I believe, denies that liquidation was a factor in the bond market and that there was liquidation in the stock market and that, consequently, liquidation has a casual relationship to this depression. But what I deny is the thesis that it is the underlying cause of the depression.

It was the incessant and wanton destruction of security and commodity values by short selling that caused, and is prolonging, the depression. And it is the knowledge and the fear that security and commodity values can be knocked to perdition at will by the short sellers that deters people from investing. And it is this same fear that has caused the liquidation that Mr. Whitney so naively says is the cause of the depression. Prohibit short selling and thereby dispel the fear of huge losses, and liquidation, without question, will cease.

Now, I am forgetting—and this is the point I want to bring home to you gentlemen: I realize that they are trying hard to justify a condition. And I am going to put in the record that in September 1931 I again wired Mr. Whitney and made it clear to him that if the exchange did not stop short selling of its own volition Congress would force it to do so. In that wire I said:

"If not in the country's interest, in your own interest stop short selling, at least for the time being, so as to give the country a chance to revive."

And on the next day—or was it the same day?—Great Britain went off the gold standard. You remember that. Most of the stock exchanges closed. The New York Stock Exchange was about to close; but in the morning the governors met. Now, I know that they did not want to issue an order prohibiting short selling that day; but it was a question of closing the stock exchange for a few days or banning short selling. What did they do?

They put in an order prohibiting all short sales, in an effort to prevent the terrific crash which they expected would ensue from the unfavorable report that Great Britain had gone off the gold standard.

And what was the result? Instead of a crash there was a decided upward movement. I do not know how severe a crash there would have been if the exchange officials had not banned short selling, but there is every reason to believe that it would have been the worst in the history of the exchange. You see the effect, gentlemen, of the prohibition of this practice. A report is sent out, "No short selling", and instead of there being a crash the market reacts upward. And when the reaction is so pronounced, what do you think they do? Rescind the order. To protect the investors? Not at all. They are afraid that the prices will go to such heights that the short sellers will receive a deserved whipping. They rescind the order to protect the short sellers. The action of the stock-exchange officials makes it so clear that my position has been a correct one that it is not necessary for me to spend more time replying to their futile apologies for their action. They have convicted themselves by that very act, and they stand convicted before the country.

Mr. McKEOWN. Judge Sabath, how much more time do you want? We are compelled to go to the House early today.

Mr. SABATH. Let me say that I am grateful to you for this opportunity and that I will close shortly; and, inasmuch as I have been given the privilege of inserting some of these papers, I will not detain you much longer. I am inclined to think, gentlemen, that you are commencing to feel that I am right on this question.

Mr. SPARKS. Judge Sabath, I do not believe that you should assume that we are "commencing" to think that. I think that is an opinion some of the members may have had for some time.

Mr. YATES. I understand, Judge Sabath, that you are discussing the various justifications that have been introduced here; and one of the justifications which they have advanced was the stabilization of the market. And you made the point, as I understand you, that in 1927, 1928, and 1929, they had the power to stabilize and they did not stabilize.

Mr. SABATH. Why, of course—according to that theory they could have done that by selling short at that time. But it did not work that way; so it is obvious that their contention is not worthy of serious consideration.

Mr. McKEOWN. Well, is it not a matter of fact, Judge Sabath, that the shorts were out of the market at that time, and it went over the long side?

Mr. SABATH. Mr. Chairman and gentlemen, I have tried to point out to you this fundamental fact: That all of the present-day "bears" were the "bulls" of 1928 and 1929, the same persons who forced the prices of stocks to such unreasonable heights; that they are men who are not interested in the effects of their activities so long as they accumulate money. They are a destructive force because they throw our economic system and therefore our social system out of adjustment.

Mr. McKEOWN. In other words, they take the side that they think they can make the most money out of at a given time?

Mr. SABATH. Yes; and of course they are on both sides at different times.

Mr. SPARKS. Perhaps this has been shown in some of the testimony given before the committee; but do you know what the proportion of short selling is, on an average, as compared with the long selling?

Mr. SABATH. That depends on the news they have for dissemination. If they have a chance to send out a lot of detrimental news which will affect the market, the short selling is much greater. I am of the opinion, from evidence that I have before me and information that I have received from the insiders, that more than 50 percent of the buying and selling is done by the professional traders; and most of this in the last 2 years has been short selling. The statistics that Mr. Whitney gave us cannot be taken into consideration, because a great number of short sales are covered during the same days, and these sales do not appear in the figures which he submits. Do you understand?

Mr. SPARKS. Yes.

Mr. SABATH. They liquidate. These shorts, as you no doubt know, do not take any chances. You know the "sure-thing" gambler does not take any chance; his reasoning is that no matter how small a profit, it is still a profit.

Mr. CONDON. You have not any evidence of that statement that the shorts do not take any chances, have you? Now, Mr. Whitney made a remark to the effect——

Mr. SABATH (interposing). That they are all "broke"?

Mr. CONDON (continuing). That very few of them come out of the market eventually with a profit.

Mr. SABATH. It is for that reason that I am going to ask early action, and I shall tell you why: The outside shorts—that is, those individuals not closely connected with the exchange or with corporations—have not made money; they have lost it, because they are naïve enough to believe that they can go in and compete with these professionals and that they can sell short and make money out of it. But it is only the inside fellows, the floor brokers, the professionals—and there are only a few of them who control the situation—that make money. Ninety or ninety-five percent of those who go into the market on the long or short side of the market eventually lose everything.

Mr. CONDON. It amounts to this: That the outside fellows, the little fellows, who are sometimes "bulls" and sometimes "bears", generally wind up by being "lambs"? [Laughter.]

Mr. SABATH. Yes; they are all "boobs." But in reply to Mr. Whitney's statement relative to all "bears" being "broke," permit me to insert the following statement written by Mr. Leslie Gould which appeared in the Chicago Evening American on February 25, 1932:

"If the 1932 bears stick to their announced intention, they may upset that old adage quoted by Whitney, that none of the big shorts in the old days died millionaires. * * *

"Since the 1929 market crash the bears have taken rolled-up paper profit of upward of $2,000,000,000, with half of it going to European plungers. In this country 10 bears, it is said, have piled up upward of $600,000,000.

"Here's about the way the $600,000,000 profits is divided:

No. 1 bear	$200,000,000
No. 2 bear	150,000,000
No. 3 bear	50,000,000
No. 4 bear	50,000,000
No. 5 bear	30,000,000
No. 6 bear	25,000,000
No. 7 bear	25,000,000
No. 8 bear	25,000,000
No. 9 bear	10,000,000

"Of the 10 above, 1—no. 9—died late last year. He had covered nearly all his short lines before his death, so he beat the game.

"The other nine are very much alive and kicking. They are the ones who have stepped out of the market for the time being. * * *

"The bears who have clambered to the sidelines are not bullish. * * * They believe there is real danger of legislative action against short selling, both in securities and commodities * * *."

Mr. SPARKS. Do you think there would be a persistency in short selling if these people lost about every time and not ever make a profit?

Mr. SABATH. They would not be there. [Laughter.] Because that is their business; they go there in the morning and watch for the "boobs" and the "lambs" to make their bets, and then they come in. They know what orders have come in during the night; who must sell; what the conditions are. They go over the reports—there are 7,000 shares of this or that stock that must be sold. Yes; they know that it must be sold by a bank, or by some fellow; and they will go in and start to sell in advance.

Mr. Whitney says that the short seller cannot sell for less than the last day's prices. Do you remember when he made that statement? And he also said that one cannot sell short for a figure less than the previous long sale. Now, in one breath he says that any restriction on short selling will interfere with the free and open market and in another admits that the exchange is voluntarily restricting the practice itself. But aside from this contradiction, Mr. Chairman, if short selling be proper, if it be helpful to the market, if it be beneficial to the country, why should the exchange pass such rules? There is only one answer: All of these rules have been passed with one purpose in mind—to forestall congressional regulation. And though they may present some difficulties to the small short seller to surmount, they do not deter the big "bear" operators in their activities.

* * * * * * *

Oh, yes! Mr. Whitney issued a statement saying that there will be a more stringent rule imposed by the exchange on the short sellers, and that from now on everyone will have to sign an order agreeing that his stock may be loaned. We are told that the order will go into effect April 1. Now, let us see: What is April 1? Is it not "April Fools' Day"? Well, I think that is just what this order is—a hoax to fool the people, to fool you, Mr. Chairman and gentlemen, and everyone, so that you will give up your efforts to legislate on this question.

But I wonder why that order was issued? I understand that a few days before the statement of that ruling appeared in the press, Mr. Whitney had a conference with the President, though this is not the only conference which the President has had in this regard; for right here I want to be fair and say that I also conferred with him on this question of short selling some time ago——

Mr. CONDON (interposing). How long ago?

Mr. SABATH. Nearly a year ago. Yes. And he criticized short selling——

Mr. CONDON (interposing). Did he say that publicly, or just in a letter to you?

Mr. SABATH. Oh, publicly; he criticized short selling in a letter that was published—this occurred about the time the press first carried reports that Russia had sold 7,000,000 bushels of wheat short.

Mr. CONDON. That particular statement of his referred only to short selling on the commodities exchange, did it not?

Mr. SABATH. I know; but it also showed, at least to some extent, his inclinations and that he was beginning to realize that short selling was an unmitigated evil.

And I warned him on that point. I told him what he could do to protect the interest of the American wheatgrower. It is to be regretted that he has not followed his original statement and helped me to bring about this legislation, as he has in other matters. This is not the only matter I had discussed with him and pleaded for. I pleaded for the Finance Corporation legislation; the broadening of the Federal Reserve Board's power of rediscount; and the creation of a home-loan banking system. He adopted these three, and I thought I had him with me on this also; but unfortunately, after a conference with a certain influential lawyer, the lawyer from the Chicago Board of Trade——

Mr. CONDON (interposing) Mr. Strawn?

Mr. SABATH. Mr. Strawn, notwithstanding the fact that the United States Chamber of Commerce had gone on record against short selling, and that he was the chairman of it, he appeared before the President 3 or 4 months ago, and pointed out to him the necessity of short selling and probably convinced him to desist in his efforts to stop short selling.

Mr. MCKEOWN. Mr. Sabath, we will have to suspend now, as the House is in session.

Mr. SABATH. Now, Mr. Chairman, I want to say this in conclusion: I have here resolutions and copies of resolutions from bankers' associations, from the United States Chamber of Commerce, and from the various farm organizations throughout the country. I have here statements from professors and economists who are not controlled by Wall Street. I have letters from hundreds of bankers and others who have suffered—men who were formerly members of the stock exchange—all appealing for relief and asking that we put an end to this practice. I hope, therefore, that favorable action will be taken.

Mr. Chairman, though I have been fighting this practice for nearly two years and a half and have introduced several measures to regulate it, I wish to say that I am not wedded to my bills. I am only interested in the elimination of this evil. We have a drafting bureau here, and we are paying a good, substantial salary to these gentlemen, and they are efficient. They can draw a bill that will be constitutional, and that will eliminate this evil.

I have been working on another bill, which, I believe, is constitutional, and which will be much broader in scope than either of my bills, or the "blue sky" bill. I hope that it will be sent to this committee shortly, and I hope you will give all these bills the consideration to which, I believe, they are entitled.

I thank you, Mr. Chairman and gentlemen, for the courtesy you have extended to me.

Mr. MCKEOWN. We thank you very much, Judge Sabath, for your interesting and instructive statement. The subcommittee will now stand adjourned, subject to call of the chairman.

INCREASED TARIFFS WITH INSECURE REVENUE AND UNSATISFACTORY PROTECTION, OR TRADE QUOTAS WITH MORE REVENUE AND REAL PROTECTION

Mr. HARLAN. Mr. Speaker, for the last century and more we have been struggling with our tariff policy. Whatever may be our theories as to the advisability of a tariff from the viewpoint of political economy; whatever may have been the party promises that have been made at one time or another, some form of trade barrier is here to stay, at least for such a time as to be beyond the cares of the present generation.

When military wars disappear trade wars will probably vanish, and when trade wars vanish a very fundamental cause of military conflicts will be destroyed. It would seem that our present problem is not to remove trade barriers, but to obtain that kind which is least harmful to our export trade and most beneficial to ourselves.

I submit that our time-tried method of regulating foreign commerce solely through the use of import duties has not produced the greatest benefit in the past, and with our developing national program promises to be absolutely harmful in the future, also it would seem that a better method of regulating foreign commerce is to accomplish directly and by legislative fiat the basic purpose which we have attempted to accomplish indirectly through tariff duties; that is, to establish a definite specific quota of imports compatible with domestic production.

The main trouble with our effort to limit imports through tariff duties has been that (1) domestic production has not received definite protection, (2) in times of stress when revenue has been needed it has always disappeared, (3) tariffs have been imposed by blocs with little consideration to need and practically none to national welfare, (4) our export trade has received no scientific attention, and has been greatly injured.

We are now apparently entering an era of industrial planning and controlled competition. At every step we are met by the specter of foreign trade competition capable of destroying the domestic industry to which these advanced measures are to be applied. A continuation of this policy will make a development of our industrial planning program almost impossible.

Let us look at the protection which domestic production receives under our present system of tariff duties. The ideal of our tariff laws has been either to "insure equal competition", a Democratic slogan, or to secure rates "equalizing foreign and domestic costs", a Republican shibboleth. Even in normal times the fact that there is no such thing in a country the size of the United States as a standard of domestic costs is apparent. To attempt to compute foreign costs with the varying conditions of transportation, and taking into consideration "absolute costs" and "relative costs" makes this problem wholly unsolvable when world commerce is in its normal course. In times of economic upheaval, with exchange rates rising and falling like a mountain range, with countries depreciating their currencies, with bankruptcies necessitating immense sales of commodities without regard to costs, tariff walls for all practical purposes, built for normal trade conditions and within the limits of reason, simply disappear, and our domestic producer finds himself leaning upon a broken reed. He has no cost figures on which he can reliably base his manufacturing program, and he has no stable market which he can rely upon supplying.

As a revenue measure our present tariff laws are a bitter disappointment in times of need. As a result of the prolonged high-tariff policy the amount of goods imported subject to tariff duties has been reduced to a very small item. The great bulk of our commerce enters our ports free of duty, and those other items on which the high-tariff duties are imposed are very prone to be the ones that will most quickly disappear when the people become pressed financially. Our present tariff base is decidedly too narrow to supply a stable revenue. It is satisfactory in times of prosperity when people with discriminating tastes are willing to buy the imported article at any cost, but it is unsatisfactory when those tastes have been dulled by a crash in the stock market.

It is not necessary to discuss before this Congress the fact that tariff duties are fixed to a greater degree from political influence than from any scientific basis of fact justifying the specific duty involved. This, of course, does not apply to those duties fixed by the Tariff Commission. Instances to illustrate this are too numerous to mention, but the recent oil tariffs will furnish a fair example. The oil industry was divided between those interests owning foreign wells, and those interests whose holdings were wholly domestic. The domestic wells were completely helpless in the face of foreign production. While we might reasonably oppose any tariff on any basic element of industry, such as coal, oil, copper, and so forth, in view of the fact that tariff protection had been granted to practically every other such commodity there was no good reason why American oil ought not receive protection. But the American owners of foreign wells had the political power to defeat this protection, and it was done, leaving many domestic producers to seek their solace in bankruptcy.

In one of our recent tariff bills a duty was imposed upon foreign wool, but high-grade long-staple cotton, which did not have the necessary political influence, was maintained on the free list. In our present tariff bill most of the prominent automobile manufacturers felt themselves perfectly competent to protect themselves in world markets and did not want protection, but the rates were imposed because of the effect on the public mind of leaving this large item out of the benefits which the public supposed tariff protection afforded. Groups that have no just basis for high protective rates unite with other groups in the same situation; trading support, and tariff schedules mount regardless of party platforms or Executive opposition. Presidents Cleveland, Taft, and Hoover all found themselves helpless before this pernicious evil.

Our present system has wholly neglected the welfare of our export trade. We see in the shop windows Japanese-manufactured electric-light bulbs. We go to a banquet and pick up the flag patriotically put in front of every diner's place and note on the pedestal "made in Japan", and we are at once convinced that American trade is being supplanted. The machinery and structural steel and shoes that have been sent to Japan that have been manufactured here at a very substantial profit are out of sight and beyond our ken. We are interested in imports because they come to our personal knowledge, but we know nothing about and have little interest in our export industry, which cannot thrive without imports.

President Hoover on April 15, 1929, said:

> In determining changes in our tariff we must not fail to take into account the broad interests of the country as a whole, and such interests include our trade relations with other countries. It is obviously unwise protection which sacrifices a greater amount of employment in exports to gain a lesser amount of employment from imports.

With our present duties based on political expediency, bloc manipulation, and emotional appeal, at no time is any effort made to supply data on which we can select and advance those industries which are effective, which produce greater profits, and which establish the American wage scale.

These are a few of the weaknesses which have already developed from supplying trade protection through the manipulation of import duties alone. The experience of this present extraordinary session of Congress, I submit, has disclosed other inherent weaknesses which must be removed if any progress is to be made in industrial recovery and reorganization in this country.

We passed an Agricultural Allotment Bill, and discovered that it was necessary not only to delegate to the Secretary of Agriculture the questionable constitutional power to increase tariff rates disguised as taxes almost without limit on the products involved in the bill, but we also gave him power over competing products, such as rayon, oleomargarine, and so forth, over which the bill exercised no control. The 6-hour labor bill passed the Senate and was presented to the House. It there developed that to make such a law effective an absolute embargo on foreign manufacturers would be inevitable. In the industrial recovery law we conferred on the Executive embargo powers should he desire to use them. We are considering unemployment insurance, old-age pensions, controlled production, minimum wages, and so forth, and everywhere we are confronted by the ineffectiveness of trade protection based on tariff duties.

What to do about it? We cannot impose an embargo and crawl behind a Chinese wall. A country that contains 6 percent of the world's population, but produces 58 percent of the world's corn, 52 percent of its cotton, 34½ percent of its coal, 46½ percent of its copper, and has manufacturing capacity varying from 15 to 20 percent in excess of domestic consumption cannot impose an absolute embargo because by so doing it will also destroy our export trade, and we will have to produce at such a tremendously reduced efficiency that our whole social and industrial system will be turned back at least a century.

We speak hopefully of reciprocity treaties, but in the last 100 years, although we have made repeated efforts, we have never been able to negotiate a single reciprocity treaty with a real competitor. If the treaty affords an advantage to us the competitor will not agree, and if the treaty provisions are the reverse we have shown no disposition to act as Santa Claus. Our three reciprocity treaties to date have been with Canada, Hawaii, and Cuba, our neighbors and friends, not our commercial rivals.

In 1929 we declared war on the world with the Smoot-Hawley tariff bill. The last report shows that as a result of that bill $1,220,000,000 of American capital has gone abroad to build branch factories, employing 330,000 foreign laborers. This does not include investments in single factory units of less than $50,000 and does not include independent investments not associated as branch units of American plants. Neither does it include those concerns who for reasons of their own refused to report their factory plant investments. The total of all this would be very much greater than the figure submitted.

The whole world has built around us retaliatory tariff walls from which we as a large creditor Nation must suffer. There is no prospect that these countries which are unfriendly to us and which are obtaining great trade advantages under the present tariff system will become suddenly magnanimous to the country which precipitated the whole trade conflict. Our salvation, if it comes, must be obtained as always in the past, through our own ingenuity and our own efforts.

As a preliminary step toward our own protection might it not at this time be advisable to use the same methods in the control of our import trade that we are contemplating for use in our domestic industrial recovery efforts; that is, to establish a definite import quota with a definite zone in which reasonable competition shall be allowed between foreign and domestic producers and with a broad base on which very much reduced tariff rates shall be levied, thereby supplying a more constant revenue.

A few days ago a resolution was introduced into this House directing the Ways and Means Committee to investigate the advisability of such a plan, it being House Resolution No. 179. The tentative plan proposed is that the Tariff Commission shall submit to the Ways and Means Committee an itemized statement of the amount of the domestic consumption of all articles imported into the United States

together with the ratio of domestic production of each item and the total domestic consumption thereof.

The basic facts on which this report can be made are already prepared by the Tariff Commission in its "Economic Analysis of Foreign Trade", which report has not yet been given to the public, but is available to Members of Congress. In the resolution it is recommended that a definite quota limit be placed upon all imports into the United States, said quota representing the difference between the possible domestic production and domestic consumption plus 5 percent of the total domestic consumption. The tariff rates on the import quota permitted, except the 5 percent thereof, is to be fixed solely on a revenue basis; that is, to be fixed at such an amount as will produce the greatest revenue without any ideas of protection whatsoever, and shall include those commodities not produced in the United States at all as well as those which are produced in the United States.

It will be seen that this permitted quota, with the exception of the 5 percent referred to, shall be approximately on a free-trade basis. It is suggested that when the importation of any commodity reaches the last 5 percent of the quota the tariff duties on the first half thereof shall be 50 percent ad valorem at the port of entry, and that the last half shall be taxed 100 percent ad valorem. That when the entire quota, including the 5 percent, shall have been reached, an absolute embargo shall exist, and no further imports permitted. The percentage allowed for the competitive zone as well as the ad valorem duties thereon are purely estimates and will probably need amendment.

Briefly, this system will give the American producer absolute protection within his quota limits. It will furnish a zone constituting 5 percent of the domestic consumption, on which reasonable competition can be maintained between foreign and domestic goods. It will produce a relatively stable revenue on such a broad basis that the effect of economic upheavals will be reduced to a minimum.

By the simple process of observing over a period of years those products which have to rely on the embargo for their protection, those products which cannot compete with foreign producers, even with the 100-percent ad valorem duty, the ineffective, inefficient industries in the United States which are a burden to our whole industrial life, which tend to reduce wages, which handicap our effective and efficient industries in their effort to sell on the world market, can be gradually eliminated over a period of years by increasing the import quota. Capital invested in these industries can be reinvested in profitable ones, and the basis for scientific promotion of our export trade will be laid.

It is, of course, always possible to raise objections to any proposal, and immediately many could be suggested to this one; that is, the foreign producer, taking advantage of the low tariff rates on the permitted quota, could distribute the expense of the high ad valorem rates of the last 5 percent, and in a way nullify the beneficial effect of this competitive zone. However, unless such producer would engage in a dumping enterprise, there would be no inducement for him to sell this last 5 percent unless he were making a profit on that specific quantity, and if he were selling in the American market at a loss he would come under the provision of our antidumping laws. There would also be undoubtedly considerable confusion among the importing countries as to the allotment of the permitted quota, but that would not seem to be a problem which the American Customs Bureau would be called upon to consider. The ship bringing the importation within the quota would be the fortunate entry. If, however, this and many other small problems that might be suggested do furnish some opposition to the contemplated change, the objections are by no means as serious as those raised to our efforts to control the "rugged individualist" in his exercise of unrestricted competition, nor are any of these objections anything to be compared to the objections to our present protective system based upon import duties alone.

This system will be of uniform operation throughout the United States, and political corruption through which campaign contributions of specific industries seeking unfair protection will be removed, and we will have an opportunity at least to develop our own social and industrial legislation behind the protection afforded by the quota system in the way that our commercial and social leaders deem of best interest to the United States.

LOBSTER FISHERIES

Mr. MORAN. Mr. Speaker, I take the opportunity afforded under the privilege of extending my remarks to discuss the lobster fisheries of the United States in general and of the State of Maine in particular. First, let me present a few important basic facts.

(1) UNITED STATES PRODUCTION

The United States production of lobsters was 11,747,694 pounds in 1929, 13,916,042 pounds in 1930, and 12,460,749 pounds in 1931. The value of this production was $3,508,449 in 1929, $3,586,890 in 1930, and $3,010,820 in 1931. (Source: Fishery Industries of the United States.)

(2) 1931 UNITED STATES PRODUCTION BY GEOGRAPHICAL AREAS

The 1931 United States production by geographical areas shows that out of a total production of 12,460,749 pounds valued at $3,010,820, the State of Maine alone produced 7,166,310 pounds valued at $1,633,684. Maine alone produced 57.51 percent of the total 1931 United States production, which demonstrates Maine's special interest. The second largest producer was Massachusetts, with a production of 2,245,753 pounds valued at $627,198. The third largest producer was Rhode Island, producing 1,259,173 pounds at a value of $269,231. The fourth largest producer was New Jersey, producing 653,634 pounds at a value of $167,687. The fifth largest producer was Connecticut, producing 497,494 pounds at a value of $138,168. The sixth largest producer was New York, producing 483,846 pounds at a value of $121,887. The seventh largest producer was New Hampshire, producing 143,289 pounds at a value of $50,151. The eighth largest producer was Delaware, producing 11,250 pounds at a value of $2,814. (Source: Fishery Industries of the United States.)

(3) IMPORTS OF LOBSTERS

The imports of lobsters for consumption in the United States have increased annually since 1927, despite the marked reduction generally in international trade. Combining the importations of fresh and canned lobsters, we find that the imports have been as follows: 8,142,805 pounds in 1927; 8,143,673 pounds in 1928; 10,119,020 pounds in 1929; 11,176,386 pounds in 1930; 11,686,545 pounds in 1931; 13,001,420 pounds in 1932. The value of these imports were $2,677,062 in 1927; $2,275,322 in 1928; $3,168,257 in 1929; $2,890,896 in 1930; $2,991,477 in 1931; and $2,508,948 in 1932. (Source: Foreign Commerce and Navigation of the United States.)

Imports of lobsters by countries of shipment for calendar year 1932 show that almost all imports of fresh and canned lobsters come from Canada. Canada supplied 10,928,761 of the 11,694,342 pounds of fresh lobsters, and 1,257,550 of the 1,307,078 pounds of canned lobsters, imported into the United States in 1932. (Source: Foreign Commerce and Navigation of the United States.)

Imports almost equal total United States production. For 1930 the United States production was 13,916,042 pounds and the imports were 11,176,386 pounds; for 1931 the United States production was 12,460,749 pounds and the total imports were 11,686,545 pounds.

Imports are now increasing still further. The imports from Canada for the first 3 months of 1933 were 1,489,864 pounds, as compared to 1,064,578 for the same period in 1932. The total imports for the first quarter of 1933 were 1,936,149 pounds as compared to 1,712,155 pounds for the equivalent period in 1932 (Bureau of Domestic and Foreign Commerce).

(4) SUMMARY OF FACTS

To summarize the statistical, authoritative, and unquestioned facts, we find that: First, Maine produced 57.51 percent of the total 1931 United States production; second, that imports now practically equal United States production;

third, that imports have increased annually despite the depression that has reduced general international trade materially; and, fourth, that Canada supplies practically all of the imports.

(5) GENERAL SITUATION TODAY

My concern is primarily the condition of the Maine lobster fisherman, who is involved in one of the hardest struggles in the history of this fishery. Many of the fishermen and their families are actually destitute and on the verge of starvation (evidence, official report of Maine agent of Bureau of Fisheries, dated May 2, 1933). The catches have been small and the prevailing price of about 12 cents a pound (in some localities 10 cents and even 8 cents) does not begin to compensate them for their efforts. Unless the fishermen get relief, they will not be able to equip themselves with much-needed new gear. The buyers have been tiding them along year after year, and they, too, find themselves in no position to do so any longer.

The consensus of opinion of the leading fishermen and dealers is that the present plight is leading directly to certain ruin. With the Canadian lobsters pouring into our markets undeterred, this fate seems all the more inevitable. And the irony of it all is that Canada imposes a tariff on American lobsters! Quick and decisive action is necessary in order to alleviate the present deplorable condition. Under the existing circumstances our fishermen acknowledge their defeat and the futility of attempting to compete with the Canadian fishermen who are operating under the complete protection and assistance of their Government, besides being favored with an apparently inexhaustible supply from unexploited areas. Never before has the call been more urgent for a united and effective act on the part of our Government to rectify immediately the impending disaster.

The "new deal" was to care for "the forgotten man." If there ever was a "forgotten man", it is the Maine lobster fisherman. Knowing, as I do, the situation in which they find themselves; realizing that they must of necessity turn in their hour of distress to their Government, helpless as they are under present conditions, I dedicate myself to turn every stone to be of assistance to these Maine fishermen, than whom there are no finer group of people anywhere in any walk of life. I have a definite, specific plan in mind which I will develop later in detail. In order to help them, and the women and children who comprise their families, I ask the Congress of the United States to aid me in my endeavor to throw around them the assisting and protecting arm of the United States Government.

WORLD ECONOMIC CONFERENCE

Mr. KENNEDY of New York. Mr. Speaker, in an address which he delivered Tuesday night, June 13, over a network of the National Broadcasting Co., and which was released for all newspapers, Congressman FISH, of New York, took it upon himself to castigate our delegates to the World Economic Conference.

In his attempt to treat a most important mission in a facetious manner, he very carelessly selected as a simile a great sporting event, which occurred on a New Year's Day a few years ago in the Rose Bowl, in Pasadena, Calif. In view of the importance of the Conference and in the light of his intimate contact with the sport he mentions, as the once-famed captain of the Harvard team, he might have described the incident with greater accuracy. To this end I wish to admonish him that the particular player who caught the ball and ran the wrong way did not run sufficiently far to make a touch-down for the other side, with which the gentleman from New York credits him. Fortunately, he was tackled outside the goal line by one of his own men. Many experts explained that this almost inexplicable run was due entirely to a kick in the head which the player received just prior to his remarkable reversal.

There is a close analogy in the present situation when we find certain partisan individuals kicking with rare gusto at the heads of our leaders in a desperate hope that they may succeed in upsetting their equilibrium and witness a repetition of this rare phenomenon, whereupon they would sit back in glee, and gloat "I told you so."

IN 60 HOURS OF GENERAL DEBATE THE HOUSE ENACTED PRESIDENT ROOSEVELT'S ENTIRE LEGISLATIVE PROGRAM—A REMARKABLE RECORD

Mr. SMITH of Washington. Mr. Speaker and Members of the House, for many years Congress has been severely criticized by the press and the people generally for taking up too much time in protracted debate and almost interminable discussion of the measures and legislation which have come before it. Some of this criticism has undoubtedly been justified, for in the past single bills have frequently been debated and orated upon for many months while the country has suffered for want of action instead of speech making.

I therefore desire to take this opportunity in the closing hours of our deliberations to point out to the Members of the House and to the country the exceptional and unprecedented record which has been made by the House of Representatives in this regard in this special session of Congress. We have passed more important, far-reaching legislation, and consumed less time in general debate in doing so, than any other Congress in the 150 years of our national history.

Mr. Speaker, for the information of the Members of the House and the American people, I have compiled from the CONGRESSIONAL RECORD a list of the major bills which we have enacted into law and the hours of general debate devoted to each bill, which I will now read. It is probably the most remarkable record of expeditious action ever made by any law-making body in the history of the world.

General debate on major bills

	Passed	Debated
1. H.R. 1491. Emergency banking relief	Mar. 9	40 minutes.
2. H.R. 2820. Maintenance of Government's credit (economy).	Mar. 11	2 hours.
3. H.R. 3341. Permit and tax beer	Mar. 14	3 hours.
4. H.R. 3835. Emergency agricultural relief; farm mortgage relief; and currency issuance and regulation.	Mar. 22	5½ hours.
5. S. 598. Unemployment relief (reforestation)	Mar. 29	3 hours.
6. H.R. 4696. Federal emergency relief	Apr. 21	2 hours.
7. H.R. 5081. Muscle Shoals and Tennessee Valley development.	Apr. 25	6 hours.
8. H.R. 5240. Relief of small-home owners	Apr. 28	1½ hours.
9. H.R. 5480. Supervision of traffic in securities	May 5	5 hours.
10. H.R. 5755. Industrial recovery; public construction; and taxes.	May 26	6 hours.
11. S. 510. National employment system	June 1	3 hours.
12. S. 1580. Railroad reorganization and relief	June 5	3 hours.

Total, 40 hours and 40 minutes.

If we allow an additional 19 hours and 20 minutes consumed in debate on those bills which were also considered under the 5-minute rule, which would be a liberal allowance, there has been but 60 hours consumed in debate on the entire legislative program which has been written into law during this session, a truly remarkable record.

A BALANCED BUDGET VERSUS JUSTICE

Mr. MURDOCK. Mr. Speaker, at the very time that the American people, the American press, American statesmen, and leaders in every walk of life are vigorously protesting against the refusal of our allies to pay their war debt, America is repudiating her own just war debt. In the days when America's ideals, America's standards of justice and right, indeed America's very existence were threatened, those who are now called veterans offered as a token of their patriotism—not gold, not empty phrases, but life itself, in defense of that country and that Government which they loved and in which they had implicit faith. They fought for Americanism. They fought for the right to live, to work, and to be happy. They fought for family and home and jobs; they fought for fairness, for a "new deal" throughout the world.

The theory of American Government, it seems to me, implies a twofold obligation. First, in order that the Government may exist, it is necessary that "we, the people of the United States," bind ourselves together by law and loyalty to uphold and maintain the Government we have established. Second, in order to retain respect for law and to inspire loyalty, it is the duty of our Government, insofar as it is humanly possible, to—

establish (and maintain) justice, insure domestic tranquillity, * * * promote the general welfare, and secure the blessings of liberty * * *.

In accordance with their inborn sense of duty, these veterans have in times of war offered the "last full measure of devotion." Today the hardships and sufferings of economic depression have fallen heavily on them and on the world. Today they are assailed by enforced idleness, by want, by hunger. Now that we have the opportunity of translating into action our pompous and oft-repeated expressions of gratitude and appreciation, now that we who were the defended are called upon to protect our defenders, we offer them—not justice, not the blessings of liberty, not a new deal—but a balanced Budget!

On the 20th of March there was approved the so-called "Economy Act." Its only justification was its title, "An act to maintain the credit of the United States Government." To maintain the credit of the Government, we were told, it was necessary to balance the Budget; and to balance the Budget some have been deluded that it was necessary to evict homeless and helpless veterans from hospitals and cast loose on the uncertainties of private charity widows and orphans and war-wrecked soldiers. All this in the name of a balanced Budget! And what is the Budget but an accountant's nightmare? If millions are needed for Government office buildings or for the printing of useless bulletins, who cares about a balanced Budget? If the international banker's bond falls due, who cares about the credit of the United States Government? Indeed, in the last analysis, the credit of the United States Government depends, not upon a column of figures, but upon columns of young men who are willing to fight and live and die for their country, and upon the ranks of American womanhood who nourish and inspire them. It is mockery to speak of balancing the Nation's Budget when the budgets of American families are woefully and cruelly unbalanced. It is brutal to attempt to guarantee the value of the currency in the pockets of the rich by obliterating the income of countless disabled veterans and their wives and children.

Those who have made a friendly gesture toward the veteran, while half-heartedly defending the compromise under consideration, have done so on the ground that this compromise is the "best thing Congress can get!" It is written in the Constitution, "All legislative powers herein granted shall be vested in a Congress of the United States", and yet we are now told that that very Congress must sit impotently here while the Executive department tells it what laws it can enact and how they shall be administered; that Congress must stand helplessly aside and watch the promise of the Government to its most precious and oftenest-tried constituents trampled under foot by a ruthless bureaucracy. Yes; this is "the best thing Congress can get", if it is content to abdicate its vested power and abolish by its own action the very function that called it into being. Compromise under any circumstances is another name for cowardice, and is especially repulsive when applied to those who earned the deathless gratitude of this country by offering their lives in its defense.

We are told that any proposal more just and fair to the veteran than this compromise will be vetoed by the President and that as a result we will be kept in session all summer. And this declaration, which I do not question, seems of sufficient importance to some to cause them to cast their votes in favor of a measure that would otherwise not be acceptable to them. That attitude is exactly the same as fearing to vote for a bill which there was a probability the Supreme Court would declare unconstitutional. I cannot reconcile my own sense of right and my own conscience with that attitude. Let us not forget that we are representatives of a people accustomed to being led by men of the caliber of him who said:

> I'll fight it out on this line if it takes all summer.

I have heard of fair-weather friends; but now we are witnessing the desertion of the "friends of the veteran" because of the imminence of sunny weather.

When the so-called "economy bill" was first introduced I stated that in my judgment it was bad legislation, and I voted against it and worked against it. My original position is now vindicated by those who then criticized me most severely. No sooner was it enacted than many of its most ardent supporters began clamoring for its modification and attempting to nullify its provisions. Every day that passes convinces me so much more that the so-called "economy bill" was a blundering injustice. And I believe that the compromise reached by the joint conference adds insult to injury. The whole theory of the bill is fallacious and contrary to the fundamental principles of the Democratic new deal. It is undeniable that any hope of recovery from the depression depends upon an increase in purchasing power, and that the purchasing power can only be increased by planned and unified action on the part of the Federal Government. And yet the effect of this legislation is to reduce the compensation and allowances of veterans to the vanishing point and curtail to a dangerous extent the salaries of Federal employees. That is like whipping the horse to make him get home before he gets tired. The Director of the Budget proposes in this legislation to increase the national income by reducing the income of the individual; to raise the standard of living by destroying the source of livelihood; to fight undernourishment with starvation; to maintain the credit of the Nation by repudiating the moral obligation of the Government to its veterans. That may be politics, but it most certainly is not statesmanship.

My vote in favor of the Steiwer-Cutting amendment will not be a vote against Franklin D. Roosevelt, who ran for the Presidency and was elected upon a platform that said:

> We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

It will be a vote against the Bureau of the Budget which has proposed this "joker" in the new deal. It will be a vote of confidence in the wisdom and justice of the American Government. It will be a vote of gratitude to those who preserved inviolate that Government and the ideals of fairness and equity it represents.

VETERAN'S BENEFITS COMPROMISE

Mr. BROWNING. Mr. Speaker, in looking back over the record on veterans' legislation for this session, I am content to say that I would not change a single vote I have cast. In fairness to those Members of Congress who voted for the so-called "economy bill", I think it should be said that they were surprised, yes, astonished at the drastic way it was planned to administer it. I felt at the time of its consideration that I could sense the result as inevitably cruel and shocking. I felt then, and feel now, that there is substantial merit in every large class of beneficiaries.

Our party platform declared for 25-percent reduction in the Federal Budget. The ex-service men were willing to make their proportionate contribution toward that saving to the taxpayers. When I offered in the Democratic caucus of the House on March 11 last a proposal to limit reductions on veterans' benefits to that figure a great majority of the Democratic Members accepted it, voted for it, but a few less than two thirds voted to bind on the provision, and it was lost through technicalities of parliamentary procedure. The "economy" bill was accepted on assurance that no injustice would be done. I knew injustice had to be done under such a program and opposed it to the end in the hope of defeating it.

But upon its passage any effort to vary the terms of the Economy Act has to have either the approval of the President and a majority of both Houses of Congress or two thirds of each House to reject a veto.

When H.R. 5389 was amended in the Senate by the inclusion of the Connally amendment the President let it be known that he would disapprove any measure containing its provisions. A special committee named by the House Democratic caucus then entered into direct negotiations with the President to obtain the best possible concessions from him in favor of the veterans. We had extensive and laborious conferences with him.

When the Economy Act went into force and the first regulations were issued over 700,000 disabled veterans and their dependents were eliminated from the Government rolls, and

the service-connected who remained were cut approximately 50 percent of the amount they were then receiving.

We feel that we were partially responsible for the liberalization made by the Executive on June 6, which restored the directly service-connected cases to within 18 percent of their former rating. We succeeded in obtaining an extension of benefits in addition to this, which were embodied in the House proposal substituted for the Connally amendment. So we brought back to the House over and above the allowance effective when we opened negotiations for concessions more than $100,000,000 per year in additional benefits to disabled men and their dependents.

The Connally amendment did more for the Spanish War Veterans who have no service connection, than does the House proposal. But it is quite debatable whether the World War presumptives were included in it. It is certain that it did not include 36,000 widows and other dependents of deceased World War veterans who had been separated from the rolls by the Economy Act, and who are restored by the House provision with full pay.

When the plan reached by the President and our committee was sent to the Senate there was substituted for it the Steiwer amendment, which did not differ materially from the House provision, except that it restored the Spanish War men to the rolls with three fourths of their original pay. The provisions as to presumptive cases will amount to the same if administered with any regard to the language or intent of Congress.

The President announced positively through the majority leader of the Senate that he would veto the bill if the Steiwer amendment were left in it. The vote in the Senate was official notice that his veto would be sustained. As one who puts the cause of the disabled service man second to nothing in the way of legislative obligation, I was faced with the positive barrier of a sustained veto if I stood for the Steiwer amendment, or with further insistence on the House provisions we could certainly have by standing against the Senate. There was no assurance of liberalization beyond present regulations if the bill failed. Had we forced a Presidential veto by standing for the Steiwer amendment, as much as I would prefer it, we would have pushed back the cause of the disabled soldiers of all wars 10 or more years. I disagree with the President on some positions he takes which I feel will take away benefits from many worthy cases. I heartily agree with him that some unworthy cases should be purged from the rolls. But when I face a condition in which I must take part of something or all of nothing for those who are suffering, I do not hesitate to accept the former. That is why I begged my colleagues in the Democratic caucus yesterday to accept all we could get short of a veto. Without any criticism of those who stood out for the most benefits, for it was my desire to get them, I give it as my deliberate opinion that those who stood for the House provision voted for the maximum it was possible to obtain, and rendered an invaluable service to the disabled man's cause by averting an open breach with our great and popular President, with whom they were constrained to differ on one issue. It was not an action under threat of a veto. It was facing realities about which there could be no doubt. The President is firm in his convictions, and this Nation loves and trusts him. There will be other times. Congress will be back in January next. I have no doubt the injustices will be so apparent then that the President will request any power necessary to treat these men in a way commensurate with national gratitude for sacrifices made in our common cause.

I give you again what we feel has been accomplished over the Economy Act by the most recent effort:

The presumptives, who were all to be cut off July 1, are left on the rolls at three fourths of their present rating a sufficient time for them to have a hearing before an independent board to determine their rights to service connection, independent of clinical findings or medical opinion but in the light of all evidence offered, with every reasonable doubt resolved in favor of the veteran and the burden of proof on the Government to show he is not entitled to it.

The directly service connected are restored from drastically low cuts to within 18 percent of the amount they were receiving, with a limitation of 25-percent reduction on any case.

The limitation of 90 days' service is removed, as such a provision is unjustified if a service connection is shown. The 36,000 widows and orphans and other dependents of World War veterans are restored to full allowance from nothing.

All total and permanent cases not service connected are raised from $20 to $30 per month.

All service-connected Spanish War cases are raised to the amount allowed the same class of World War cases.

All Spanish War veterans over 62 are raised from $6 to $15 on age alone.

All Spanish War veterans between 55 and 62 who are 50 percent disabled and need it will receive not less than $15.

These additional benefits, as said before, amount to more than $100,000,000. So we feel our efforts have not been in vain. It is not all that is required to do full justice. I have a deep sympathy for Spanish War men who entered and served under a pension system then in existence which they thought they had a right to rely on, but who now find themselves called upon to show service connection, and their evidence destroyed or in the grave, and required to establish by proof a condition of poverty. I sympathize with the World War man who knows his trouble was brought on by his service, yet tried to fight his battle of life without the help of his Government, until all reasonable presumptions and time have run against him. He accepted the disability allowance provided and was content to waive the greater benefits of the service-connected class. It is a hard rule that says to him this $12 is being paid to him wrongfully, and he has been receiving money for no just claim. It is surprising how many of these disability-allowance claims are to men who from the early months after discharge have been trying to show service-connection, and their claim has been defeated because of the technical requirements of regulations.

The bitter fight waged in the past few days is a testimonial to the fact that the National Economy League does not control the Membership in Congress, and the service men have loyal friends on whom they can rely. I hope my buddies will not measure the friendship of Members by one vote. Some of their best friends voted for the "economy" bill, believing all worthy cases would be protected. Because of their loyalty in the past, and their disposition to right the wrongs as far as conditions would permit in the last few days, they should be judged by a record of years, and not by an isolated act done in the face of impending national collapse.

MUSCLE SHOALS

Mr. BACON. Mr. Speaker, in declaring my unalterable opposition to the bill now before the House, it is unnecessary for me to dwell at length upon the sins of commission or omission that are now in the similar Norris bill pending before the Senate and that were in the original Hill bill prior to the amendments adopted by the Committee on Military Affairs. As a prime example, however, of the pernicious features of these bills I shall mention the absence of any provision for the protection of labor employed in the enormous projects envisaged. By the original language of this bill and of the Norris bill the very face of a great part of the Nation could have been changed by labor employed without a specified minimum-wage scale, possibly working under conditions similar to those in Soviet Russia which have shocked the world. By amending section 3, however, the committee at least removed this danger by requiring wages to be paid at the prevailing rate, and in accordance with classification service, any questions to be determined by the Secretary of Labor.

I do not cite this in order to recommend the amended bill, but merely to indicate the general character of the legislation that is proposed to meet this long-standing national problem of Muscle Shoals. Other improvements were made

in it, but it still remains inherently a dangerous measure. H.R. 5081 largely ignores or vitiates the purposes of section 124 of the National Defense Act, under whose authority Muscle Shoals was constructed, and by virtue of which the problem has heretofore been considered as one of national defense appropriate for action by the Committee on Military Affairs. This bill is not a national defense bill. It is, to a large measure, rather, a power bill, a basically new proposition contrasting with the Muscle Shoals bills referred to it in the past.

Under the filmy veil of the acknowledged governmental functions of navigation and flood control, we had masked provisions for placing the Federal Government in the power and fertilizer business, in competition with enterprises legitimately established by its private citizens. Undeniably there is not a single logical trace of connection between our Government and these industries, which circumstance and the authors of the bill have singled out as suitable objects for Government intervention. If we may do this at present merely to dispose of the Muscle Shoals problem, then we may expect our Government further to engage in commerce and industry to an extent that may represent a surrender of our individualistic system of government and an acceptance of the doctrines enunciated by Karl Marx in Das Kapital. The issue is clear cut beyond the possibility of equivocation.

This bill does, indeed, place the Government in two businesses, in addition to 41 others in which the Government has been found to be in competition with private enterprise, according to a report published in pursuance of a resolution of the Seventy-second Congress. But it does not place it in business in a businesslike manner. No testimony was heard by the committee as to the actual economic value of the proposed Government operations at Muscle Shoals. There is no mention of it in the majority report. To be sure, they amended subsection (k) of section 4 to provide that, with the exception of Cove Creek and Dam No. 3, future construction will be conditioned upon power market conditions and that they will not be undertaken except after satisfactory contracts have been made to provide for their self-liquidation. But the fact remains that neither the committee nor Congress has any adequate data concerning the actual economics of what it is proposed the Government shall do. All we know is the tragic experiences of other samples of Government operation in the past. And we know, too, as an unwritten law of government, that whenever optional authority is granted to an agency of the Government, that authority will be exercised to the limit, regardless of the merits of the option.

Let us look at section 28. The President is directed to recommend legislation in conformity with the following purposes:

> (1) The maximum amount of flood control, (2) the maximum development of said Tennessee River and its tributaries for navigation purposes, (3) the maximum generation of electric power consistent with flood control and navigation, (4) the proper use of marginal lands, (5) the proper method of reforestation of all lands in said drainage basin suitable for reforestation, (6) the most practical method of improving agricultural conditions in the valleys of said drainage basin, and (7) the economic and social well-being of the people living in said river basin and all adjacent territories.

Here are proposals affecting several departments and bureaus of the Government. Yet not one word of testimony from officials or representatives of any of the departments or bureaus affected was delivered to the committee either in public or private hearings. How then can we vote on such a proposition merely because we like the sound of the phrases without knowing their meaning?

But most sinister of all, most concealed from accurate appraisal, most insidious, is section 27. Here, under the mask of a benevolent paternalism, hidden in grandiloquent verbiage, we may discover the visions of a program so vast and so vague—so costly without limit—that it is likely to increase the bonded indebtedness of the Nation by unthinkable billions of dollars, that it may ultimately impair the credit of the Government to a greater extent than might an unsuccessful major war. I cite, first, section 29:

> That all appropriations necessary to carry out the provisions of this act are hereby authorized.

Fantastic! I cite again, this time from section 15 of the Norris bill:

> In connection with any future dam, steam plant, or other facility, to be used in whole or in part for the generation of hydroelectric power, the board, if directed to do so by the President of the United States, shall issue its bonds for the payment in part or in full of that part of said development that is allocated to the production of hydroelectric power.

Is this power or national defense?

Now, let us see what some of the provisions of the bill are as set forth in section 27:

> To aid further the proper use, conservation, and development of the natural resources of the Tennessee Drainage Basin and of such adjoining territory as may be related or materially affected by the developments consequent to this act, and to provide for the general welfare of citizens of said areas the President is hereby authorized by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress to make such surveys of and general plans for said Tennessee Basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds or through the guidance or control of public authority, all for the general purposes of fostering an orderly and proper physical, economic, and social development of said areas.

What can this language mean? It was not revealed to us in any of the hearings. The President has not declared himself as to how far a government may go in fostering the social development of people. But this bill already covers 6 to 10 States, depending upon the interpretation of the expression "adjoining territories." We have been hearing the figure of $1,000,000,000 as a conservative figure for the cost which the people of the entire country will have to bear. And how many other regions are there between our two coasts for which a like plan may be offered? How shall we know where to stop once we have spent our first billion on this vague but sweeping philanthropy? Would $5,000,000,000 be enough to pay for it? Would ten? These things we do not know, but if we pass this bill with this language in it we are merely saying that it does not matter, that a Garden of Eden will be made to bloom from coast to coast without embarrassment to our credit or the enslavement of posterity under a fearful yoke of debt.

Up to this point I have been calling the attention of the House to the more general features and implications of the bill and of the way in which it has been drafted and considered. All that I have said applies with equal or greater force to the Norris bill. Now I propose to show some of the specific factual problems and difficulties that may reasonably be expected to result from the passage of this bill despite the changes we introduced—the economic waste, the ruthless devaluation by congressional fiat of private property in hundreds of millions of dollars, the possible disruption of two industries vital to the national welfare, and disposition of a public investment in a manner most likely to entail ultimate loss to the taxpayer.

Now, as to the power provisions of the bill, section 11 authorizes the board to sell surplus power not used in its operations to States, counties, municipalities, corporations, partnerships, or individuals for periods not to exceed 20 years, giving preference to States, counties, municipalities, and cooperative nonprofit associations of citizens or farmers. Contracts with private individuals may be canceled upon 5 years' notice if necessary to supply the requirements of States, counties, and municipalities. Section 12 declares it the policy of the Government to sell all surplus power equitably among States, counties, and municipalities within transmission distance.

Obviously power could not be sold to towns 400 miles distant without the use of transmission lines. Section 13, therefore, provides that, failing satisfactory contracts for the distribution and resale of power, the board is authorized to construct or lease or authorize the construction of transmission lines within a maximum transmission distance of 400 miles, with the approval of the President and if economically justified and necessary. The sale to industry is

declared to be only secondary and merely for the purpose of making possible, by increasing the volume of consumption, lower rates to domestic and rural consumers. It is further provided that any States, municipalities, counties, and cooperative nonprofit organizations that may build their own transmission lines and that propose to sell power without discrimination between consumers of the same class, the board may contract with them for a period not exceeding 30 years.

What do these sections mean? They mean that the Government is to engage in the power business for retail sale, regardless of the costs of producing and distributing that power, regardless of the prevailing market prices for power in the area, regardless of the existing surplus capacity of the existing facilities to the tune of 400,000 horsepower. It means that, willy-nilly, the taxpayer becomes party, at his own expense, to the possible destruction of private enterprice in which is invested some $400,000,000 in the six Southern States affected. To be sure the power industry is unpopular and suspect. Therefore it must be subjected to close supervision and regulation. But the 37,000 holders of preferred stock in these companies, most of them consumer customers, should not be the target of punitive legislation; nor should the thousands of bondholders in these States. Already, since it was announced that the Government would be launched into this socialistic adventure, the price of their holdings has declined rapidly. President Roosevelt himself expressed views in harmony with this viewpoint in a speech before the Conference of Governors at French Lick, Ind., in July 1931:

> State-owned or Federal-owned power sites can and should properly be developed by Government itself. When so developed, private capital should be given the first opportunity to transmit and distribute the power on the basis of the best service and the lowest rates to give a reasonable profit.

I cannot believe that the President has turned away from this just and unassailable attitude. Yet, where in this bill is any provision to protect the private companies? Why, if the bill is not a menace to them, have their securities dropped since the bill was first published? Because it threatens them, not with a new source of cheap power to sell, but with the complete destruction of their market, without which asset their entire physical property becomes nearly worthless.

Moreover, the prevailing power rates in the South have dropped, under public regulation, to a level far beneath the national average. They are now low and uniform, without discrimination against the rural consumer as against the urban centers. Why, then, invite States, counties, municipalities, and cooperative organizations to come to Muscle Shoals for this additional surplus of 400,000 horsepower that will probably be sold at a loss to the Government—to come, if they choose, with their own transmission lines?

Will the Muscle Shoals actually produce power more cheaply than do the privately operated systems? It is asserted that it will cut the cost in half. There has been presented to the Committee on Military Affairs an abundance of competent testimony to the effect that the project will be economically unsound if it is to serve an extended area. But let us read what Thomas A. Edison had to say about it in an interview with Samuel Crowther, published in the Saturday Evening Post:

> We shall steadily require more power; but a great deal more fuss is being made over hydroelectric power than its intrinsic value warrants. The first and best source of power is coal. The amount of coal available is not limitless, but for all practical purposes it is limitless. We can probably use coal at our present rate for a thousand years or so without any danger of exhausting our supply, and it is highly improbable that we really know our supply.
>
> Water power is a political issue, not a business one. It can never at the best mean very much to us, except as something to talk about. The monopolizing of water power is also just a political idea. The rates are fixed at any point by the cost of generating power from steam. A private monopoly which was foolish enough to put in high rates would only bankrupt itself, for no one would buy the power. There is far more danger in public monopoly than there is in private monopoly, for when the Government goes into business it can always shift its losses to the taxpayers. If it goes into the power business, it can pretend to sell cheap power and then cover up its losses.
>
> The Government never really goes into business, for it never makes ends meet. And that is the first requisite of business. It just mixes a little business with a lot of politics, and no one ever gets a chance to find out what is actually going on. I feel so strongly on the Government keeping out of business that if I had my way the post office would be privately managed by contract; all the Government should have is an efficient inspection bureau.

I shall not burden the House with the mass of statistics available with regard to the present surplus capacity of the privately operated fertilizer industry. It is sufficient to supply both our peace-time and maximum war-time needs. The industry as a whole has lost, since 1921, $300,000,000 to $350,000,000 owing to the collapse of prices and the excess of production over consumption. Why, then, should we give the coup de grâce to an industry which is fighting for its life, and which has usefully served us for decades in educating the farmer and advancing the science of soil efficiency? Here, again, we propose to destroy private initiative at the ultimate expense of the taxpayer.

In conclusion, let me quote the minority views on the present bill:

> It will be seen that the bill effectually conceals its real purposes and aims and commits the country to the expenditure of vast sums of money, the amount of which can only be imagined, and at a time when agriculture and industry are prostrate and our citizens staggering under the burden of governmental debts, even though this gigantic project will probably be financed by the sale of Government bonds—thereby adding to our large national debt.

COURTESIES EXTENDED BY THE SPEAKER AND MEMBERS OF THE HOUSE

Mr. BURNHAM. Mr. Speaker, in these closing hours of the first session of the Seventy-third Congress I desire to express my appreciation of the many courtesies extended by our beloved Speaker, by the distinguished leaders of both sides of the House, and by the Members generally.

This has been a strenuous session not only for those of us who are serving our first term but for the seasoned Members as well.

When we convened on March 9 we were told by our President that an emergency existed; that a crisis was impending; that bankruptcy and insolvency faced the Nation. Since then we have enacted much emergency legislation to meet this situation. By an overwhelming majority we voted for a measure to maintain the credit of the United States Government. By that act we gave to the President the authority he desired when he said:

> If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

We have supported the President; we have labored earnestly and honestly; we have compromised differences, the paramount purpose being to relieve unemployment, aid agriculture, encourage industry, stabilize banking, eliminate waste and extravagance, and improve conditions generally. We have done what we thought was for the best interest of the entire Nation, and we can only hope that the laws passed at this session will prove wise and profitable. If mistakes have been made, they were of the head and not of the heart.

No doubt there are conditions in each and every measure enacted that some of us would have otherwise, but all legislation is a matter of compromise. I, for one, am not satisfied with the veterans' program. My personal feeling is that we cannot do too much for the disabled veteran, or for the widows and orphans of those who made the supreme sacrifice, and I am convinced that the regulations issued under the authority of the "Act to maintain the credit of the United States Government" are entirely too drastic, and that they are causing severe and unnecessary hardships to many of our service-connected disabled veterans.

We must treat our disabled veterans with fairness and consideration. We must not allow them to become charges upon local and State governments. Their relief is a Federal obligation. These men did not go to war and risk their lives and their health for any particular community, but for the whole United States; therefore, the cost of caring

for them, when in distress, should be borne by all and distributed equably and equitably over all sections of this great land.

The apparent saving of some three hundred million dollars effected by these recent regulations is actually no saving at all. It is merely shifting the load from the main structure where it belongs to some of the weaker outbuildings that were not designed to carry it. It is transferring the burden from the Federal Government, where it does belong, to local communities, where it does not belong.

I believe I have more veterans in my district than are in any other congressional district of the United States. They come to southern California on account of the climatic conditions, hoping to regain their health. I am advised by the chairman of our board of county supervisors that the additional burden placed upon the taxpayers of San Diego County, due to the drastic regulations affecting disabled veterans, will be $1,920,000 per year, and this does not include provision which must be made for increased cost of operating our county medical institutions, due primarily to the laws of the use of the class A, United States naval hospital situated in San Diego, with its up-to-date equipment and adequate room to care for veteran patients.

Since Federal orders were issued that veterans would not be cared for at the naval hospital our county hospital load has increased on an average of 10 percent daily. I quote from a letter received from the chairman of the board of county supervisors as follows:

> The denying of the use of the facilities of the naval hospital here is throwing a tremendous added burden upon the community and our county, together with the drastic slashing of monetary benefits which we are not prepared to meet. The limited facilities of the county hospital cannot begin to care for the veteran patients of this county, and the local naval hospital, with its adequate space and up-to-date equipment, must stand closed to the veteran, who, regardless of the seriousness of his condition, must comply with Public, No. 2, Seventy-third Congress, and endeavor to gain admittance to a hospital 150 miles away.

I realize that economy in government is essential, and I am opposed to extravagance and waste in the administration of governmental affairs, whether it be local, State, or Federal, and I believe that many economies can be effected in the administration of veterans' affairs without materially or drastically reducing the benefits in worthy cases. Also, I am opposed to paying exorbitant pensions to those who suffered no injury or disability as a result of their war service, many of whom are employed at good salaries, some enjoying lucrative positions, and others provided for with adequate incomes.

On June 7 I introduced in the House H.R. 5966, which seeks to correct some of the many injustices arising from the passage of the "Act to maintain the credit of the United States Government", and, yet, effects a reasonable economy in veterans' benefits. This bill is in the form of a compromise, and provides that notwithstanding any of the provisions of the original act 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, or the pension of any widow, or the dependents of such veterans, allowed prior to March 15, 1933, whether allowed upon direct service connection, a presumption of service connection, or otherwise, be reduced more than 20 percent of the rate being received prior to March 15.

I sincerely regret that the bill I introduced did not receive favorable action at this session, as I firmly believe that if enacted into law it would go a long way toward alleviating the havoc and mental anguish caused our service-connected disabled veterans, their widows, and their dependents by the orders and regulations emanating from the original bill. However, I submit to the superior judgment of my colleagues at all times.

I stated during the last campaign that if elected to Congress I would support the administration in all worth-while legislation having to do with the welfare of the Nation, regardless of which political party was in power, in an earnest and honest endeavor to hasten better times and bring about enduring prosperity. This I have endeavored to do consistently and conscientiously.

We will have an opportunity during the next 6 months to observe the workings of the most gigantic relief measures ever enacted by any Congress or any nation. I sincerely hope that much good will result, and that when we return to Congress in January the wheels of industry may be moving swiftly and the depressed condition of this country changed into one of happiness and full faith in the future. The outcome will be awaited by all with eager interest.

STATUS OF SUITS BROUGHT BY THE FIVE CIVILIZED TRIBES AGAINST THE GOVERNMENT

Mr. HASTINGS. Mr. Speaker, in 1924 jurisdictional bills were enacted by Congress to permit the Five Civilized Tribes in Oklahoma to bring suits against the Government of the United States in the Court of Claims, with the right of appeal to the Supreme Court, upon any claim which the tribes might have against the Government. By amendatory legislation the time within which suits might be filed was extended to June 30, 1930.

Before the expiration of this time there were filed on behalf of the Five Civilized Tribes by their attorneys, under contracts approved in accordance with the provisions of the several acts, the following cases:

CHEROKEE NATION

There have been filed on behalf of the Cherokee Nation nine suits, as follows:

1. Clifton Roll case: *Cherokee Nation* v. *United States*, in the Court of Claims, no. H-47, involving $436,803.36, with interest at 5 percent.

2. Too Late Baby case, no. J-8: This suit is to test the constitutionality of the act of April 26, 1906, under which a new roll of additional people was made and to whom allotments were given, and involves the sum of $8,915,160.20, with interest at 5 percent.

3. Freedmen case, no. K-17, involving the right of the Cherokee freedmen to land and money, the claim being for $10,638,559. The demurrer of the Government in this case was sustained, and a motion for rehearing has been filed and is pending in the Court of Claims.

4. Trust Fund, no. L-46: This claim is for $669,893.05, with interest at 5 percent to June 30, 1926, for money alleged to have been unlawfully paid out of trust funds of the Cherokees.

5. Suit no. L-174: (1) For the Eastern Cherokees and (2) for the Western Cherokees. The petition in this case contains two counts: (a) For and on behalf of the Eastern Cherokees, involving a restatement of interest amounting to $2,653,596.12; and (b) for the benefit of the Western Cherokees, involving a restatement of interest amounting to $362,687.01. Under the act of Congress of April 25, 1932, two additional suits were filed by the attorneys representing these two tribes.

6. Suit no. L-257: This claim is for shortage of land, and is for a balance of 575,082.23 acres of land described in the Cherokee patent of 1838, which has not been accounted for.

7. Suit no. L-266: This claim is for land embraced in the "outlet" and "promised", as stated in the first article of the treaty of 1846, or approximately 3,000,000 acres, which, at $1.25 per acre, would amount to $3,750,000.

8. Suit no. L-267: This suit has two counts: (1) Claim for money paid to intermarried whites, with interest from date of payment at 5 percent, $69,000; and (2) claim for money paid for intruder improvements, $250,000.

9. Suit no. L-268: General accounting petition challenging many items erroneously expended from tribal funds.

The following information, secured from Frank J. Boudinot, one of the attorneys for the Cherokee Nation, explains the status of the above-mentioned claims:

NO. H-47, THE CLIFTON ROLL CASE, SO-CALLED

This case was set for argument at the April 1933 call of the calendar. However, Mr. Frank K. Nebeker, attorney of record in that suit, found that certain facts, recorded or on file at the

Muskogee office and not here, and deemed to be necessary to have, were not in evidence. Consequently, Mr. Nebeker secured postponement of the trial until this evidence might be obtained. This is in process of being done.

NO. J-8, THE TOO LATE BABY CASE, SO-CALLED

Government attorneys have demurred to the petition in this case. The demurrer is still pending, the understanding being that it will not be disposed of, not heard, until a motion for a rehearing on the demurrer, sustained by the court some time ago in the Freedman case (no. K-17), has been argued and decided.

NO. K-17, THE FREEDMAN CASE, SO-CALLED

The Government demurred to the petition in this case and the demurrer was sustained. A motion for a rehearing has been filed and briefed, but has not yet been argued before the court.

NO. L-46, AN ACCOUNTING CASE (TRUST FUNDS)

The Government's attorneys are not willing to proceed in this case until the General Accounting Office has filed its report. I have been advised by that Office that the report will be completed and filed by September 1, 1933.

NO. L-174, "EASTERN" AND "WESTERN" CHEROKEES, INTEREST CASE

Frank J. Boudinot is attorney of record in this case. I am now preparing request for findings of fact, without waiting for General Accounting Office report. Senator Owen and Mr. Houston B. Teehee, attorneys for the Eastern and Western Cherokees, have suits pending for these claims, under the act of April 25, 1932, nos. 42077 and 42078. I may state that these suits will undoubtedly be brought to trial and final disposition next fall.

The remaining suits filed will have to wait for the General Accounting Office report.

CHOCTAWS AND CHICKASAWS

The following data furnished by W. F. Semple, one of the attorneys for the Choctaw and Chickasaw Nations, gives a list of the cases filed by and on behalf of these nations and the present status of each suit:

No. F-181: *Choctaw and Chickasaw Nations* v. *United States*. Involving freedmen minor allotments and freedmen preferential filings. Amount, $525,508.81, with interest at 5 percent since 1912. Case filed June 4, 1926. Case closed by plaintiff December 1, 1930. Report from Indian Office on file; none from Accounting Office or Comptroller. All testimony of plaintiff taken.

No. F-182: *Choctaw Nation* v. *United States*. Owen fee, Mississippi Choctaws. Case filed in July 1926. Amount involved, $139,156.75. Report from Indian Office filed; none from Accounting Office, but report from Comptroller General filed May 15, 1931. Docket marked "Closed."

No. H-37: *Choctaw and Chickasaw Nations* v. *United States*. Involves railroads original Choctaw freedmen, Mississippi, per capita funds. Filed January 1927. Amount involved, $4,880,339.37. Report from Indian Office on file as to freedmen and Mississippi Choctaws only, but no report from other offices. Testimony taken by plaintiffs.

No. J-231: *Choctaw Nation* v. *United States*. Involves one-quarter and three-quarter division of funds. Filed April 24, 1928. Amount, $468,000. No report from Indian Office, but preliminary report from Accounting Office filed June 1928.

No. J-619: *Choctaw and Chickasaw Nations* v. *United States*. Filed September 27, 1928. Amount, $85,000. Report filed from Accounting Office April 1933. Report from Indian Office October 1928, and report from Comptroller October 1928.

No. K-281. *Choctaw Nation* v. *United States*. Involves Mansfield, McMurray, and Cornish fee; $750,000 and expenses in maintaining field office, hospitals, etc. Filed June 18, 1929. Amount involved, $162,500. No report from either Indian or Accounting Office.

No. J-620: *Choctaw and Chickasaw Nations* v. *United States*. Amount involved, $8,839,015.01. Filed September 27, 1928. Case closed by plaintiff December 1, 1930. No report from Accounting Office. Case closed by plaintiff December 1, 1930. Reports on file from Comptroller and Interior.

No. K-187. *Choctaw Nation* v. *United States*. School case, involving school funds. Filed May 27, 1929. Amount involved, $1,000,000. Report from Accounting Office on file. No report from Indian Office.

No. K-260. *Choctaw Nation* v. *United States*. General Accounting case. Filed June 1929. No report from either Indian or Accounting Offices, but Accounting Office report will be filed June 1, 1933.

No. L-261. *Choctaw and Chickasaw Nations* v. *United States*. Involves station grounds. Filed June 27, 1930. Amount claimed $1,000,000. No report from Indian Office or Accounting Office, but preliminary report from Comptroller on file.

No. L-253: *Choctaw and Chickasaw Nations* v. *United States*. Involves coal royalty. Filed June 26, 1930. No definite amount claimed. Report on file from Accounting Office. None from Indian Office.

CREEK NATION

The attorneys for the Creek Nation employed under the provisions of the Jurisdictional Act, prior to June 30, 1930, instituted 15 suits involving large amounts of money, which have heretofore been reported in detail to the Creek Tribe at its various conventions.

Preparation has been made by E. J. Van Court and his associates for the trial of all of these cases, both as to law and fact, the claims have been carefully audited, and the attorneys representing the Creek Nation are prepared, as soon as the Government is ready, to submit all of these cases. Because of the large number of cases brought on behalf of the members of all of the Five Civilized Tribes, delays have been occasioned in securing reports from the Indian Bureau in a number of them. Reports have been made in some of the cases, others are in course of preparation, and it is hoped that reports will have been made in all of them during the coming fiscal year.

In the meantime a judgment has been rendered in the Court of Claims in behalf of the Creek Nation, in what is known as the "Boundary case", in the sum of $86,823.19. The time for appeal by the Government to the Supreme Court of the United States has not yet expired.

There have also been argued two other cases, no. H-510, the Creek accounting suit, and no. L-168, the Alabama Reservation case, and these two cases are under advisement by the court.

In these three cases, and in other cases, many of the questions of law have been argued and submitted to the court.

The long-delayed General Accounting Office report was filed last June 1932, which permitted the attorneys to try the case no. H-510.

SEMINOLE NATION

It is hoped that the accounting reports in the Seminole cases will be forthcoming in the near future, which will permit the attorneys for the Seminole Nation, E. J. Van Court and associates, to try several of their cases during the fall term, 1933, of the court.

The attorneys for each of the Five Civilized Tribes had, from the time of the enactment of the original jurisdictional acts in 1924 up to June 30, 1930, within which to make a complete and exhaustive investigation of all the records pertaining to the respective tribes, prepare the petitions, have accountants audit the claims, and prepare for trial. The attorneys for the Government insist that they must have time to recheck the records and to have their auditors go over them and examine each claim in order to properly represent the Government in these cases.

In addition to the suits brought on behalf of the Five Civilized Tribes, a large number of other suits have been brought on behalf of other Indian tribes, and the Indian Bureau contends that every effort is being made not to delay the Government's audit of these claims, and that they are being expedited as rapidly as possible.

I have been keeping in touch with the attorneys who represent the Five Civilized Tribes and have urged that the cases be expedited. All of the attorneys insist that the cases should be tried during the coming fiscal year, and that by June 30, 1934, all of them should have been tried in the Court of Claims.

I have secured all of the legislation recommended as necessary for the determination of these cases.

MARCH 31, 1932.

Hon. W. W. HASTINGS,
House of Representatives, Washington, D.C.

MY DEAR MR. HASTINGS: I hand you herewith a copy of our brief on the Government's demurrer in the Cherokee Freedmen case which you have been good enough to freely and helpfully advise me about.

I regret to have had to make this brief so lengthy, but exceedingly important questions are involved, and I hope to get a decision by the court on this demurrer which will practically settle the case.

I took the liberty of quoting quite freely from one of your very able and excellent briefs filed for the Cherokees some years ago. I think your argument is as unanswerable now as it was then.

I wish to take advantage of this occasion to express the very deep appreciation of my associates, and particularly of myself, of the great and intelligent service you have so frequently rendered for and on behalf of our clients, the Cherokees. Speaking personally and from an extensive knowledge, I wish to say that the Cherokees and all of the Indians of our county have never had a more loyal and helpful friend in our Congress than you have proven yourself to be upon all occasions. You have been strong in your advocacy for justice and fair dealings with the Indians, and have always protested strongly against any injustice and wrongs which have

been done the Indians, particularly the Cherokees and the other Indians of your State. I have a sense of personal gratitude to you for the services you have rendered my clients and take advantage of this occasion to express it.

Very sincerely yours, C. C. CALHOUN.

APRIL 12, 1932.

DEAR MR. HASTINGS: Representing the Cherokees, I have been in Washington continuously since you were first elected to Congress and desire not only to agree with the statements made by Mr. Calhoun but to further state in my own behalf that it has been through your efforts that we have been able to secure the enactment of legislation through which the claims of the Cherokees, in nine suits, are now pending in the Court of Claims, and to say that no one could have been more loyal or rendered at all times more effective service. You have secured for us all of the legislation required to present these claims to the court.

Yours very truly,

FRANK J. BOUDINOT.

When these cases shall have all been tried and final judgments rendered, any amounts found due the respective tribes will be certified to Congress for an appropriation and will be available for distribution per capita among those found by the court entitled to share the same.

It has been a long struggle, but all of these cases have been filed, and certainly we may express the confident hope that they will all be tried during the coming fiscal year ending June 30, 1934.

SAVINGS AND EXPENDITURES OF THE SPECIAL SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. TABER. Mr. Speaker, at this time I feel that the people should be informed of the progress that has been made at Washington toward saving and spending money. I feel that these savings which should be counted are those that are sure to come. Those items where consolidations have been made, where an extra overhead will be superimposed, and where no saving will be made in all probability, I have left out.

Total savings

Veterans' Bureau	$292,000,000
Salary cuts	100,000,000
Army	20,000,000
Navy	10,000,000
Agricultural provisions of Executive order of June 10	6,000,000
	428,000,000

The Veterans' Bureau savings totaled $410,000,000 before the changes made by the Executive orders of June 6, 1933, and the amendment to the Economy Act contained in the independent offices appropriation bill. I do not count the $50,000,000 by which that bill reduces the annual appropriations to amortize the bonus certificates, because that is not a saving but a postponement.

I have not included the savings for the Post Office Department, because none of the basic changes necessary to save the $75,000,000 which has been estimated by the administration have been made, nor is there any prospect that any will be made. I have included the savings which can result from the Executive order of June 10. I have been very liberal in that and am certain that the procurement division means simply imposition of extra overhead.

The Veterans' Bureau figures I have shown above shows a slight difference, $8,000,000, from the figures which I have previously given. This is due to the fact that the clerks of the Appropriations Committee estimated the result of the Senate amendment on veterans as it was finally agreed to a little different than I estimated it on Saturday last.

As against these savings we have the following increases in expenditures:

1. The so-called "labor camps" set up under the "Sapling Act" by which it was proposed to people to work for $1 a day	$250,000,000.00
2. The Wagner-Costigan dole to States	500,000,000.00
3. The third deficiency bill	1,408,451.13
4. The fourth deficiency bill	3,613,079,167.74
	4,364,487,618.87

Of these items, every single one is an appropriation, except as hereinafter outlined.

Every single one is an increase over previous appropriations. The outstanding items included are:

For public works	$3,300,000,000
Farm-loan and home-loan banks	115,000,000
Bank-guaranty fund	150,000,000
Wagner-Costigan dole (is not directly an appropriation, but it is a loan not to be paid back by the Reconstruction Finance Corporation, so that it amounts to the same thing as a gift charged against the Treasury)	500,000,000
The net result of these operations is	4,065,000,000

The item of $250,000,000 under the "Sapling Act" is being spent in a most riotous way. From one town in New Jersey three trains of Pullman cars went out to carry the boys to Idaho. Riding around in Pullmans, when the same money would relieve five times the distress in the cities, is ridiculous. Countless thousands of officers and supervisors of these people are included.

We have a total for expenditures of	$4,065,000,000
We have a total possible savings of	428,000,000
Net increase	3,637,000,000

In addition to this legislation there are authorizations for appropriations amounting to:

To start the Domestic Allotment Act in operation	$100,000,000
Provision which will add probably $60,000,000 to our interest charge to carry out the provisions of the Farm Mortgage Act	60,000,000
Like provision for Home Mortgage Act	60,000,000
Additional authorization for the Tennessee Valley Authority, alias Muscle Shoals	50,000,000
To subscribe for preferred stock in insurance companies to the Reconstruction Finance Corporation	50,000,000
For Reconstruction Finance Corporation to loan money to closed banks, savings banks, and building-and-loan associations	300,000,000
Total authorizations	620,000,000

These figures must probably be added to what will be spent during the fiscal year 1934. The Treasury bonds outstanding increased since the 4th of March at the approximate rate of $400,000,000 per month. This rate probably will be increased and the Budget will be unbalanced beyond the wildest dreams.

THE "BAKER'S DOZEN" AT WORK

Mr. SNYDER. Mr. Speaker and Members of the House, when the Members of the Seventy-third Congress came to Washington for the inauguration, they were unofficially informed that they would be called back about the 1st of April for an extraordinary session. Most of them threw a few shirts and collars in a suitcase and came to Washington for the inaugural ceremonies expecting to return home in a few days.

Many of us remember the emotional and mental attitude of the people when the announcement was made that Hobson sank the *Merrimac* in Santiago Harbor. We also remember the mingled feeling and the excitement that followed the sinking of the *Lusitania* during the World War. Those were crucial and dark hours in the Nation's history.

However, I dare say that those hours were not so dark as the hours following the 4th day of March 1933, when it was discovered that the financial structure of the Nation had been broadsided with 16-inch guns to such an intense degree that it was necessary for the President to declare the bank holiday to save not only the little depositors but the entire financial fabric of the Nation.

This was the first of the many creative and constructive measures of our new administration and of our leader, President Roosevelt. This measure was followed during the next 14 weeks by other measures enacted by a Congress that were inspired and prompted solely on the basis of conserving and saving our national resources and credit.

It was most encouraging to a young Congressman to hear an older Member of the House say that the Members of the Seventy-third Congress had more courage and showed more initiative, purposeful activity, and willingness to sacrifice their own personal interests that the Nation might be again restored to prosperity than any of the former sessions he had sat in during his 20 some years of service.

In the 14 weeks referred to Congress spread upon the statute books a "baker's dozen" of administrative measures that embodies initiative and creative activities of a greater magnitude than any other similar measures ever enacted by a Congress. The people made up their minds that the old, boss-ridden governmental procedure that had plunged them into the most bottomless pit of depression must be thrown overboard, and they immediately proceeded to do this. Their attitude and determination spoke the words of Lincoln: That the Government should be "of the people, by the people, and for the people." As a result, a new era in behalf of the common people sprung into existence beginning March 4.

The measures I refer to as the "baker's dozen" are as follows:

First. Wagner-Lewis emergency relief law.

Second. Muscle Shoals and Tennessee Valley Development Act.

Third. Supervision of traffic in securities law.

Fourth. Emergency banking relief law.

Fifth. Maintenance of Government's credit.

Sixth. Beer-wine revenue law.

Seventh. Emergency Agricultural Relief Act.

Eighth. Reforestation unemployment relief bill.

Ninth. Small Home Owners' Refinancing Act.

Tenth. Railroad reorganization and relief law.

Eleventh. Industrial recovery law.

Twelfth. Glass-Steagall banking bill.

Thirteenth. Independent Offices Appropriation Act.

As in substance expressed by the President, I do not expect all of these measures to work out 100 percent. The people do not expect them to work out 100 percent. We know that adjustments must be made as we go along in the application of the many set-ups in these measures. We know that discrepancies will creep in here and there. We know that when we come back to Congress in January 1934 that there will be a number of adjustments to be made relative to the social and economic application of different articles in these several laws or measures.

I was not wholly in accord with all the provisions and articles in all these 13 bills as enumerated above.

For instance, in the railroad reorganization and relief law, I personally would have inserted several different provisions. However, it was an omnibus measure; and with all but a few of the provisions acceptable to the majority in Congress, it was only fitting and constructive that I support the measure.

In the Glass-Steagall banking bill we find a number of provisions that did not exactly suit me—the wording and the set-up relative to branch banking and the article with reference to the insuring of bank deposits were not what I should like to have seen. But it was a great step forward, and the majority of the Members of Congress saw it that way. They saw that it was for the stabilizing of our banking system as well as for reestablishing the confidence of the people in our banking structure.

Again, in the independent offices appropriation bill, that portion which dealt with the pensions of war veterans did not suit me in many respects. I was one of the many to think that the clauses pertaining to the Spanish War veterans and the presumptive cases were not broad enough, and that the Spanish War veterans, particularly, should have greater financial assistance. But again, as you well know, it was an omnibus bill in nature, and embodied some 25 other major articles and sections, and upon its passage depended the working out of other major administrative measures which came under the administration program and carried with them the hope of putting millions of men back to work.

I join in attitude with most of the other Congressmen; that is, if these set-ups do not work out for the common good of all, we will have an opportunity after January 3, 1934, to adjust them. That is what 120,000,000 people virtually wanted us to do. We had our instructions from the masses to come to Washington and do something. One banker wrote me, "For God's sake, do something, even if it's the wrong thing. We have had everything wrong long enough, and you can make things no worse." The people of the Nation wanted action; the President of the United States gave them action; the Congress of the United States gave to the President the authority to steer the ship of state.

Contrary to some few newspaper headlines, Congress did not give away any of its power. Congress can take back at any time any of the powers it gave to the President or to any other group. Thanks to the great news agencies and builders of public sentiment that give this Congress credit for having the courage to think through measures, come to conclusions, and pass upon them in such fashion that would start the wheels of progress and put the farmer, the laborer, and the little business man back to work.

INDUSTRIAL LOANS—A MEANS OF PROVIDING EMPLOYMENT AND ACCELERATING ECONOMIC RECOVERY

Mr. WALDRON. Mr. Speaker, under the various economic-recovery proposals enacted, or about to be enacted, by the first session of the Seventy-third Congress, practically every class of citizen, except the manufacturer and the business man, may obtain loans from the Reconstruction Finance Corporation, or certain of the new agencies created by these acts. These borrowers include States and municipalities, corporations engaged in building public and semipublic projects of self-liquidating character, banks, building-and-loan associations, insurance companies, railroads, and others. Credits have been extended farmers and provision has been made to take up farm mortgages. Home owners will likewise be able to obtain mortgage relief, or funds to pay taxes, to make improvements on their properties, or to save their homes from sheriff's sales.

Industry, which is the basic creator of employment and the source from which most of our revenue to run the Government comes, has received no consideration in the matter of obtaining funds to rehabilitate itself. Unless our great industrial population is employed, it cannot consume the products of the farm in quantities sufficient to pay the farmer a fair price for his products, and the huge future obligations created in the effort to assist agriculture will be met only through the ability of industry to furnish employment and consume the growers' products.

Under the agricultural-relief plan, many of the products the industrial worker consumes are to be taxed for the benefit of the farmer who reduces the acreage of his crops in an effort to control and eliminate great surpluses and thus give him better prices for the food produced and a fair profit for his labor. The industrial-recovery plan proposes to regulate business in an effort to spread employment and assure adequate wages. In the belief of many this plan will also increase prices and the farmer, as well as the consumer in the cities, will have to pay more for the manufactured articles he uses. From these manufactured articles the Government derives revenue by way of excise taxes, and from the business profits and the wages of industry it receives other revenue through the income tax. The farmer pays little or no income tax to the United States Government.

These new and untried experiments in the field of Government control approach economic recovery with an outstanding major difference, namely, the farmer can borrow funds from a generous Government to plant, harvest, and market his product, but the manufacturer and business man cannot borrow one single penny from any governmental agency. This failure to place industry and agriculture on the same basis in respect of financial assistance may seriously retard the recovery program and break down sources of potential revenue sorely needed to meet the huge expenditures to be made.

In my own district and elsewhere throughout the United States reputable manufacturers and business men tell me that they could resume operation of their plants and provide employment for thousands of workers if credits could be obtained. Normal credit sources, they declare, have been closed during the past few years. Money is hard to get. The banks and investment houses are either unwilling or unable to extend new credit to the manufacturers, and in many instances have called existing loans. Insurance companies, private investors, and others have no mortgage-in-

vestment funds available, and the free flow into commerce and industry of more than $6,000,000,000 has been prevented by its impoundment in the more than 5,000 State and National banks which have remained closed or in the hands of conservators since the Presidential proclamation of March 4, 1933. Established and going concerns during this period have reorganized and rebudgeted to meet the competitive situation occasioned by the deflation of commodity prices, but the lack of working capital has reduced business to a hand-to-mouth basis, while stocks on hand have vanished. Many mills have closed their doors and labor has suffered unemployment. Business men throughout the country declare that if there were some governmental source through which they could obtain a reasonable amount of credit, they could resume the operation of their plants and furnish work for thousands of people. To place men and women upon a self-supporting basis and eliminate the unemployment doles which have been a burden to the various municipalities and States is a subject ardently to be desired and toward which we are all striving.

In an effort to provide the funds with which to assist industry to adjust itself, I have introduced three bills—H.R. 6095, H.R. 6114, and H.R. 6124.

H.R. 6095 proposes to amend section 5 of the Reconstruction Finance Corporation Act, as amended, so as to permit "any person" doing business within the United States, upon such security as is acceptable to the Corporation, to obtain a loan in an amount which shall not exceed 80 percent of the assessed value or 60 percent of the appraised value—whichever is lower—of the real-estate holdings of such person at the time the loan or advance is made. The term "person" is defined to mean an individual, a trust or estate, a partnership, a corporation, an association, or a joint-stock company.

H.R. 6114 eliminates the 80 percent assessed value limitation provided for in H.R. 6095, and limits the amount that can be borrowed to an amount which does not exceed 60 percent of the appraised value of the real-estate holdings of the borrower.

H.R. 6124 attempts to reach the situation in another way. Under section 201 (d) of the Reconstruction Finance Corporation Act loans may be made to "institutions" organized under the laws of any State or in the United States and having resources adequate for their undertaking, for the purpose of enabling such institutions to finance the "carrying and orderly marketing of agricultural commodities and livestock products" in the United States. No unincorporated individual can borrow under these provisions for the very limited purposes set forth. H.R. 6124 removes the limitation restricting borrowers to those engaged in "carrying and marketing agricultural commodities and livestock", and empowers the Corporation to make loans or advances to bona fide individuals—as well as institutions—for the purpose of enabling them "to finance agriculture, commerce, and industry" upon such security and in such amounts as the Reconstruction Finance Corporation Act permits. This measure is much broader in its scope than the other bills, but will also furnish the relief sought.

In the belief that there would be a freer flow of capital into industry, or that some provision would be made to assist the manufacturer, I delayed bringing this matter to the attention of the House. No visible change has taken place in the general situation, however, and nothing is included in any of the administration's proposals to provide the manufacturer with this much-needed working capital. To open the doors of the Treasury to one of the two great groups of citizens—agriculture and industry—who are a part of these plans and to deny the same privilege to the other group—which group is the source of the revenue from which those funds are to be obtained—seems to me to be nothing short of economic disaster. Under such a policy the stronger concern will survive, but the weaker concern, even though long established and respected in the business world, will be compelled to close its doors and remain closed unless relief is furnished. I urge you, therefore, to plug up this one great loophole in the scheme for economic recovery lest it wreck the entire machinery.

In my opinion the passage of one of these measures will do more to furnish immediate employment for thousands of industrial workers than any other proposal. It will accelerate production and restore confidence to the manufacturer, the worker, and the consumer.

ACCOMPLISHMENTS OF THE FIRST OR SPECIAL SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. LOZIER. Mr. Speaker, now that the first or special session of the Seventy-third Congress has ended, I consider it proper to comment on its accomplishments. In the whole range of human history no Congress, Parliament, or other legislative body has ever accomplished so much in such a short space of time, and I think I am keeping within the truth when I say that no other Congress has ever placed on the statute books more liberal, progressive, forward-looking, and constructive legislation than the Congress that recently closed its sessions.

This Congress marked the beginning of a new era in our national history, the commencement of a new economic age, a period of transition from an old to a new order, from policies worn threadbare by time and experience to more practical formulas, more idealistic conceptions of the functions and purposes of government, more practical methods to establish social justice and make our Government the servant rather than the master of the people.

The following are some of the major accomplishments of the recent session of Congress under the superb leadership of President Roosevelt:

1. The Industrial Recovery Act.
2. The public-works program.
3. The modification of the Volstead law.
4. The resolution for the repeal of the eighteenth amendment.
5. The emergency banking legislation.
6. The Farm Relief Act.
7. The Muscle Shoals-Tennessee Valley Authority.
8. The Wagner human relief appropriation.
9. The creation of national employment agencies.
10. The emergency railroad legislation.
11. The Farm Loan Mortgage Act.
12. The Home Loan Mortgage Act.
13. The Securities Regulation Act.
14. Banking and currency reform.
15. The revenue-producing proposals.
16. The reduction of postage rates.
17. The bill authorizing the President to reduce and consolidate Federal agencies.

As 1 of the 13 Representatives of the great State of Missouri in the lower House of Congress, I supported each and every one of these measures, and whatever influence I had was ungrudgingly exerted to sustain the President and put over his legislative program. My record is 100 percent in support of President Roosevelt and the policies of his administration. I do not mean to say that I approved each and every major or minor item in his legislative program, because, as I have heretofore stated, I have serious doubts as to the wisdom, constitutionality, and workability of some of his proposals. But as a whole no more progressive and benevolent program was ever submitted by an executive to any Parliament or Congress. The questionable provisions to which I have referred may be abandoned if it be found that they are unwise and unworkable without in any manner impairing the usefulness of the major activities established by this legislation.

Being in full accord with the President on most of his proposals, I was willing to subordinate my judgment to that of the President on the comparatively few questions where we were in disagreement, because the American people were looking to and depending on President Roosevelt to lead them out of the wilderness, and I did not feel that I should veto any part of his program. Each measure enacted by Congress at the request of the President was a necessary part of a comprehensive plan for lifting the depression, avoiding economic chaos, and restoring normal national life. Each bill was an important part of a legislative machine through the operation of which the return of prosperity is to

be hastened and assured. The defeat of any one of the President's bills would have had the same effect as the removal from a machine of one or more of its important parts. No one measure provided relief for every vocational group, but relief was provided in the several acts for every occupation and for people in all the walks of life.

In supporting some of these measures I was helping the Democratic Party carry out its platform pledges. As a lifelong Democrat and one who has been honored by my party, I have never opposed the creed or platform declarations of the Democratic Party, and as long as I stay in public life I will never use my voice or vote to prevent our party from fulfilling its platform or preelection pledges.

I shall not attempt in this statement to explain the provisions of the 17 major laws enacted during the recent session of Congress, but I will say that the President's program has been adopted, and we are now making splendid headway in our war against depression and the forces of fear. We have clothed the President with adequate powers to meet every emergency and bring the country back to a condition of prosperity, contentment, and happiness. Under the wise and patriotic leadership of Franklin D. Roosevelt, and with the cooperation and support of the American people without regard to their politics, we may with confidence expect a rehabilitation of our agricultural, industrial, financial, and commercial structures and a restoration of Nation-wide prosperity.

The following is a brief summation of the extraordinary powers conferred on the President to enable him to deal with the unprecedented economic conditions and emergencies. The President was given the power to allocate appropriations for public works; to reduce first-class mail rates; to alter tariffs, levy quotas, and establish embargoes, with the advice of the United States Tariff Commission; to regulate or prohibit the interstate shipment of oil produced in violation of State quota laws; to regulate and coordinate industrial production and banking and railroad operations; to develop and operate Muscle Shoals; to alter the gold content of the dollar; to remonetize silver; to suspend or alter, within limits, governmental contracts, including Federal salaries, pensions, and allotments, and air and ocean mail subsidies.

Under the Industrial Recovery Act, public-works measure, Agricultural Adjustment Act, Wagner Human Relief Act, emergency railroad legislation, Securities Regulation Act, and other major legislative measures, the President has been given exceedingly broad powers to meet this epoch-marking, history-making depression.

The record of the Democratic President and of the Democratic Congress will meet with almost universal public approval, and justifies the continued confidence of the American people in both the President and Congress. I shall always be proud of the fact that I was a Member of the first or special session of the Seventy-third Congress, which, under the wise leadership of President Roosevelt, rolled back the tide of depression, grappled with and overcame the forces of fear and disaster, and pointed the way to better and more prosperous days.

I desire to pay a deserved tribute to the Republican Members of Congress, who, in a fine spirit of cooperation, joined the Democratic majority in putting over the President's legislative program. The Republican minority gave cordial and patriotic support to practically all the measures recommended by President Roosevelt. Indeed it is a source of pride and satisfaction that both Democratic and Republican Members of Congress, realizing the gravity of the situation, for the time being forgot politics and partisanship and united in the prompt enactment of these emergency measures.

REVIEW OF THE LEGISLATION OF THE SPECIAL SESSION OF CONGRESS

Mr. GIBSON. Mr. Speaker, true to its practice when in control of the Government but false to its preachments and professions when not in power, the Democratic Party, with its huge majorities in both Houses of Congress, in its mass production of legislation during this special session, has made 12 distinct raids on the Civil Service system, and otherwise, by threats and attempted emasculation of the Civil Service law has made the merit system a hollow mockery. These actual raids and these attempted inroads upon the Civil Service have created a sense of insecurity among faithful and efficient public servants, many thousands of whom are affiliated in their political principles with the Democratic Party, and have all but demoralized the public service. Under the plea of emergency many new agencies have been created necessitating the employment of thousands of employees who will be appointed as the spoils of Democratic victory and thus undermine the already weakened merit system.

The jobs newly created and placed outside the Civil Service law should be utilized to take care of efficient Government employees who will be furloughed as the result of the economy program of the Democratic administration, and arrangements made to transfer competent employees from bureaus that are to be abolished to the new agencies which are being set up.

The President has the authority under the Civil Service law to do these things and prevent injustice to worthy employees and disservice to the Government itself, but the deliberate and successful effort of the Democratic majorities in Congress to fill all new jobs with hungry Democrats by disregarding the merit system renders Executive interference doubtful, notwithstanding the President's alleged sympathy with the merit system.

A review of the legislation of this special session with its vast grants of power to the President and its enormous and bewildering appropriations shows, in respect to the Civil Service, a studied and an avowed purpose to capitulate to the hungry job seekers at the expense of the taxpayers and of the merit system.

When the emergency relief bill, otherwise known as the "dole bill", was under consideration in the House it contained originally the following provision:

> The administration may appoint and fix the compensation of such experts and, subject to the provisions of the Civil Service law, appoint and, in accordance with the Classification Act of 1923, as amended, fix the compensation of such other officers and employees as are necessary to carry out the provisions of this act.

For these purposes the bill made $350,000 available.

In Committee of the Whole the gentleman from Arkansas [Mr. FULLER] succeeded by an amendment in striking out the words:

> Subject to the provisions of the Civil Service laws, appoint and, in accordance with the Classification Act of 1923, as amended.

In the House a separate vote was taken on this amendment by the yeas and nays on the demand of the gentleman from Massachusetts [Mr. LUCE], a stanch friend of the merit system.

This vote resulted, yeas 215, nays 161; so the obnoxious amendment was agreed to. But be it said to their credit that 51 Democrats joined 110 Republicans in voting against the amendment, and not a single Republican voted for it. (CONGRESSIONAL RECORD, April 21, 1933, pp. 2121, 2128.)

The Senate restored to the bill the language stricken out by the House and the bill went to conference. The conference committee, by exceeding its authority, again eliminated the provision and substituted for it the following:

> The Administrator may appoint and fix the compensation of such experts and their appointment may be made and compensation fixed without regard to the Civil Service laws or the Classification Act of 1923, as amended.

The conferees discovered that to effect this purpose, it was not enough merely to strike out the original words, but to insert a positive provision to disregard the Civil Service laws. This provision would clearly have been subject to a point of order as exceeding the authority of the conferees had the conference report been considered in the usual way, but in their zeal for spoils the Democratic-controlled Rules Committee brought in a drastic rule waiving points of order, and this rule was adopted against the protesting votes of 27

Democrats and of the votes of Republican and Farmer-Labor Members. (CONGRESSIONAL RECORD, May 9, 1933, pp. 3085, 3089.)

The gentleman from Arkansas [Mr. DRIVER] in his remarks on the drastic rule reported by him made this statement:

The only opposition will come from those who believe in the adherence to the Civil Service law in all legislation and that it should be applied to the personnel to be selected for the administration of this law. (CONGRESSIONAL RECORD, May 9, 1933, p. 3085.)

The vote shows that the only opposition came from Republican and Farmer-Labor Members "who believe in the adherence to the Civil Service law."

In vigorous defense of the Civil Service laws three Republicans stated their belief in adherence to the Civil Service laws and the time-honored position of the Republican Party in favor of the merit system. The gentleman from Michigan [Mr. MAPES] declared:

I have been an advocate of the Civil Service ever since I entered public life, and I do not like to see it torn down. (RECORD, May 9, 1933, p. 3087.)

The gentleman from Massachusetts [Mr. MARTIN] said:

I hope the Democratic Party does not intend to stultify itself by taking this extreme method of getting a few patronage jobs. * * * I believe the American people believe in the Civil Service, and personally I do not believe that the President of the United States is in favor of what we are asked to do today. * * * I ask you to think seriously of what you are doing in striking down the Civil Service laws, which Democrats as well as Republicans have supported for many years. (CONGRESSIONAL RECORD, May 9, 1933, p. 3086.)

And the gentleman from Massachusetts [Mr. LUCE], in his usual forceful and logical way, reviewed the history of the pending proposition and its purpose to despoil the Civil Service, and reviewed also the history of the Civil Service law passed 50 years ago, the father of which was George H. Pendleton, a Democratic Senator from Ohio. Mr. LUCE read the first sentence of the Civil Service law, as follows:

The President is authorized to proscribe such regulations for the admission of persons into the Civil Service of the United States as may best promote the efficiency thereof, and ascertain the fitness of each candidate in respect of age, health, character, knowledge, and ability for the branch of service into which he seeks to enter.

Mr. LUCE then made the following statement, which it would be well for Democratic spoilsmen to remember:

It was the speech of Senator Pendleton that did most to secure the passage of the law of which I have read the first sentence as it now stands. In its course he reminded the Senate that Jefferson on taking office in 1801 had established fidelity, capacity, and honesty as the tests. I know how unfashionable it is now to quote Thomas Jefferson. The gentlemen on my right have forsaken his doctrines, trodden on them, turned their backs on them, and now of Thomas Jefferson it may be said that on my right "there is none so poor to do him reverence." Ah, they worship now at the altar of Andrew Jackson, and it is idle for me to repeat these words of Jefferson to men who have forgotten even his existence.

Mr. Pendleton further said that—and here I venture to read in order that I may be correct—describing the condition to which the conduct of government had been brought by the belief of Jackson and the utterance of Marcy, "To the victors belong the spoils."

I do not say that the Civil Service of the Government is wholly bad. * * * But I do say that the Civil Service is inefficient; that it is expensive; that it is extravagant; that it is in many cases and in some senses corrupt. * * *

This whole system demoralizes everybody who is engaged in it. It demoralizes the clerks who are appointed. That is inevitable. It demoralizes those who make the appointment. That also is inevitable. And it demoralizes Senators and Representatives who, by the exercise of their powers as Senators and Representatives, exert pressure upon the appointing power.

Mark you, these words of a great Democrat, a man incorruptible and fearless, a champion of the welfare of the country:

I believe that the existing system which, for want of a better name, I call the "spoils system", must be killed or it will kill the Republic. I believe that it is impossible to maintain free institutions in the country upon any basis of that sort.

I believe the spoils system to be a great crime. I believe it to be fraught with danger. I believe that the highest duty of patriotism is to prevent the crime and avoid the danger.

And so, if you do not care to decide this question today upon the issue of whether you will trust your President, turn to these words, dwell upon them in your minds, let them appeal to your judgments, and to your conscience, and do not now, when first the opportunity squarely presents itself, say that it is your wish to return to that system which menaced the very life of the Republic itself. (CONGRESSIONAL RECORD, May 9, 1933, p. 3089.)

In connection with the Civilian Conservation Corps, created by the act of March 31, 1933, which the Senator from Louisiana [Mr. LONG] referred to as the "sapling bill", it appears from information furnished the House by the gentleman from Mississippi [Mr. COLLINS] that 20,300 civilian employees at average pay of $140 per month had been appointed up to the end of May to supervise the forestation work of 274,375 registrants. This new army of civilian employees were appointed without regard to the Civil Service law, although the Reforestation Act did not so provide, as was the case in other emergency acts. Their employment, whether under Civil Service regulations or not, was discretionary with the administration, and in the absence of regulations, prescribed by the President, for their selection from eligible lists of the Civil Servce Commission they were, of course—20,300 of them—placed on the Government pay roll without regard to the Civil Service law.

The men enlisted in the Civilian Conservation Corps were not required to take the oath of enlistment, although operating under the direction of Army officers, and yet they receive more pay than the regularly enlisted men of the Army, and are not subject to the same discipline; and in case of death the widow of a man who serves in one of these temporary jobs in the woods would receive $45 per month under the compensation law while the widow of a soldier would receive, in most cases, less than half that amount.

The national employment system created by the act of June 6, 1933 (Public Law No. 30, 73d Cong.), replacing the old system under the Department of Labor, provides for employment agencies throughout the country to act in conjunction with like State agencies, requiring the services of a host of employees, all of whom are to be appointed and their salaries fixed, without regard to the Civil Service laws, as will be seen by the following provision of the act:

The Secretary of Labor is authorized, without regard to the Civil Service laws, to appoint and, without regard to the Classification Act of 1932, as amended, to fix the compensation of one or more assistant directors and such other officers, employees, and assistants, and to make such expenditures for personal services * * * as may be necessary to carry out the provisions of this act.

This will be good news for the hungry army of faithful partisans who already are clamoring for these jobs, but is it another blow at the merit system?

Another haven of refuge for the spoils hunter was provided in the Federal Emergency Relief Administration Act (Public Law No. 15, 73d Cong.), whereby a dole of $500,000,000 is to be given away to States and individuals. This act provides—

The Administrator may appoint and fix the compensation of such experts and their appointment may be made and compensation fixed without regard to Civil Service laws or the Classification Act of 1923, as amended, and the Administrator may, in the same manner, appoint and fix the compensation of such other officers and employees as are necessary to carry out the provisions of this act.

The Tennessee Valley Authority Act (Public Law No. 17, 73d Cong.), better known as the "Muscle Shoals bill", sets up a "corporation" designated as "the board", composed of three members appointed by the President, and all other officials, agents, and employees are to be designated or selected by the board.

Following closely the language of other acts disregarding the Civil Service laws, it is provided in this act that—

The board shall without regard to the provisions of Civil Service laws applicable to officers and employees of the United States, appoint such managers, assistant managers, officers, employees, attorneys, and agents as are necessary for the transaction of its business, fix their compensation, * * * and provide a system of organization to fix responsibility and promote efficiency.

The last words "and promote efficiency" were doubtless added with a pang of conscience as a generous concession

to the merit system. What a splendid opportunity is here afforded to acquire a trained, efficient personnel from the ranks of thousands of qualified Civil Service employees who have been and will be guillotined and those placed on indefinite furloughs by the various economy measures.

Even the act to help home owners from foreclosures of mortgages on their homes did not escape the attention of the marauding spoils hunter, for we find in the Home Owners' Loan Act (Public, No. 43, 73d Cong.) a broad, sweeping power to the Home Owners' Loan Corporation, created by that act, to appoint at will its employees and to fix their salaries.

Here is the provision:

> The Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this act, without regard to the provisions of other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States.

In other words, the Civil Service laws and the Classification Act are to be ignored and inapplicable and the door is thrown wide open to an insatiable horde of "victors" in question of the spoils of victory.

In conferring upon the Secretary of Agriculture absolute power over the destiny of farm operations, the authors of the Farm Relief Act, with all of its far-reaching provisions into an untrodden field of governmental experiment, did not overlook the little matter of jobs made necessary for the administration of its complex machinery.

In section 10 of that act (Public, No. 10, 73d Cong.) it would seem at first glance as though its sponsors really purposed to give the merit system some recognition when we read:

> The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of the Classification Act of 1923 and acts amendatory thereof, and such experts as are necessary to execute the functions vested in him by this title.

But the Classification Act is one thing and the Civil Service laws are something else. The former is good enough for classification purposes after appointments are made, but when we come to the matter of making appointments we find this further provision—

> And the Secretary may make such appointments without regard to the Civil Service law or regulations.

Here again we run across our old Civil Service nemesis, those fatal words, "Without regard to the Civil Service laws."

How much of the huge sum of $100,000,000 appropriated for administrative expenses will be used for "classified" jobs without regard to the Civil Service laws remains to be seen.

Under the provisions of the same act the Farm Loan Commissioner is authorized to appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as may be necessary to carry out the purposes of this title * * * without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States.

The production credit corporations and the production credit associations created under the Farm Credit Act, as in the case of other farm-relief agencies, will select their personnel and administer the law "without regard to the Civil Service laws and regulations."

Still another agency created by the Securities Act (Public, No. 22, 73d Cong.), designated as the "Corporation of Foreign Security Holders", is authorized—

> To select, employ, and fix the compensation of officers, directors, members of committees, employees, attorneys, and agents of the Corporation without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States.

Perhaps of all the instrumentalities created by Congress involving difficulty in administration and requiring the greatest number of civilian employees is that of the Federal Emergency Administration of Public Works under the provisions of the National Industrial Recovery Act (Public, No. 67, 73d Cong.).

One has only to read this act without attempting to understand its intricacies to see the possibility of an addition to the Federal pay roll of thousands of officers and employees "without regard to Civil Service laws." Not only does this law provide for outright new appointments but it reaches out and embraces such State and local officers and employees as may be found necessary and add them to Uncle Sam's roster with such pay as may be prescribed. What a grand opportunity this affords to dump upon the Federal pay roll untold numbers of State, county, and city employees and thus relieve local governments of that burden; and incidentally it will follow as a matter of course that care will be exercised by Mr. Farley, the lord high executioner and dispenser of patronage de luxe, to see that only those drafted for this service have the proper password, "come across", from local Democratic political chieftains. There is more than one way, it seems, to meet that deficit in the Democratic campaign chest.

The power to appoint is vested in the President, but he is authorized to delegate this power, which he will no doubt do.

The law has the same provision as in others herein quoted—that is, the authority "to appoint, without regard to the Civil Service laws, such officers and employees as he may find necessary"—but it goes still further and provides for the appointment of—

> such State and local officers and employees as he may find necessary; to prescribe their authorities, duties, responsibilities, and tenure; and without regard to the Classification Act of 1923, as amended, to fix the compensation of any officers and employees so appointed.

Encouraged by these wholesale assaults upon the merit system another and even greater inroad was attempted and was partially successful in the closing days of the session.

Without the consideration its importance deserved a bill was passed in another body lifting at least 5,000 positions from the Civil Service system and placing them in the patronage bag. This bill (S. 1869) reads as follows:

> That notwithstanding any other provisions of law after this act becomes effective, all appointments to office in the executive branch of the Government of the United States at a rate of compensation in excess of $5,000 per annum shall be made by the President, by and with the advice and consent of the Senate: *Provided*, That the provisions of this act shall not apply to appointments by the President of persons as secretaries or clerks in his service.

As originally introduced and reported from the committee the bill required Presidential appointment and confirmation by the Senate of all positions paying more than $3,500. Left in this form the bill would have covered thousands of men and women in technical and administrative fields, experts in their lines of work, and made them the prey of politics. This was so clearly unjust and destructive of good service that the bill was amended before its hasty passage so as to effect only positions paying more than $5,000.

This bill came to the House on the eve of final adjournment and was referred to the Committee on the Civil Service, where all true friends of the merit system hope it will repose indefinitely.

As further indicating a determined purpose to render the Civil Service laws ineffective and to flout the merit system a bill was reported favorably from the Committee on Civil Service in another body on June 13, 1933, but was not reached for consideration. This bill speaks for itself in the following language:

> That after the date this act takes effect the Civil Service laws shall not be construed to apply to any office or position in the Government covered into the classified Civil Service by Executive order, or any officer or employee of the Government appointed to the classified Civil Service without examination after March 4, 1929, and prior to the date this act takes effect.
>
> SEC. 2. After the date this act takes effect the Civil Service laws shall not be construed to permit the covering into the classified Civil Service of any office or position not included therein, or the appointment to the classified Civil Service of any person without examination, unless the Congress shall specifically so provide: *Provided*, That in all cases where employees not officials have heretofore been covered into the Civil Service by Executive order, such employees may be allowed to stand a special competitive Civil Service examination for the places they now hold.

Another blow at the merit system was the "involuntary retirement" provision in the independent offices appropriation bill.

The measure itself appears to be guileless—

Says a commentary—

It purports to extend a privilege to employees who are dismissed after 30 years or more of service. But the possibility that this measure might be used as a means of reducing Civil Service personnel makes thousands of faithful servants of the Government uneasy over their jobs.

When the plan of eliminating employees who have been in the service for 30 years or more was first submitted to Congress by the Budget Bureau it provided for compulsory retirement. Under that arrangement 22,000 Government workers would have been arbitrarily dismissed. Congress refused to sanction a measure so drastic. The original plan underwent considerable modification in both the House and the Senate, but as finally approved it permits the President to withdraw much of the protection which now surrounds employees who have devoted most of their lives to Government service.

The law merely gives Federal workers who are involuntarily separated from the service after 30 years a right to retirement pay. But this opens the way for dismissals on a grand scale among employees in this class. Government workers are rated on their efficiency, length of service, dependability, material status, and military service. The President may, by Executive order, eliminate length of service as a factor in employees' ratings, thereby destroying the seniority advantage they have built up over many years.

That it would be an injustice to oust middle-aged employees from their jobs because they have served 30 years is apparent to every one. Many capable specialists, administrators, and division chiefs may thus be forced out through the caprice of a department head. Employees who have served the Government for long periods in a nonpartisan spirit under the promise of security in their positions may suddenly be displaced for political reasons, and they would be denied any appeal to higher authority.

This prospect is extremely discouraging to men and women who plan to enter the Government service as their life's work, as well as to those whose careers may be thus terminated. The Government would be under a handicap in securing efficient and impartial service. If advantage should be taken of the opportunity Congress has given to emasculate the safeguards of the Civil Service, the morale of the Federal personnel will be seriously impaired.

Since the passage of the Civil Service Law, 50 years ago, every President has exercised his authority under it to extend the merit system by covering into the Civil Service through Executive order various classes of employees, temporary appointees primarily who demonstrated their fitness by experience and whose services were required by the Government. Doubtless this practice, in rare instances, may have been abused in both Democratic and Republican administrations for partisan purposes, but in the main and in large degree the Government service has been benefited and the merit system extended and strengthened.

During the World War thousands of additional employees were required, and it is a well-known fact that President Wilson covered many of them into the Civil Service, where they are to this day. Appointees, many of them in so-called "key" positions, appointed during the Wilson administration, were undisturbed in their positions during the subsequent Republican administrations.

It has been said upon the floor of the House recently that positions at the disposal of the Reconstruction Finance Corporation were filled without regard to the Civil Service laws and that they were filled by the appointment of Republicans. The first part of this statement is true, but the latter part is absolutely contrary to the facts. It is well known that President Hoover appointed a prominent Democrat, former Senator Atlee Pomerene, as chairman of the Corporation, in order to avoid the appearance of partisanship; and the subordinate employees of the Corporation in all of its various ramifications were selected for their qualifications. The truth is that, according to the best obtainable information, as many appointees in that service were Democrats as there were Republicans.

It is a fair statement that by and large, throughout the life of the Civil Service law for a half century, the Republican Party, in practice as well as in promise, as a party, with individual exceptions, has been the friend of the merit system; and that, by and large, in the main, the Democratic Party, as a party, with individual exceptions, has been the party of spoils and the foe of the merit system.

The distinguished gentleman from Alabama [Mr. BANKHEAD], an able leader of the Democratic Party in the House, reflected the views of his party associates, with some exceptions, when he frankly admitted in an outburst of partisan zeal on the 22d of last March his antipathy for the merit system. His remarks warmed the cockles of his Democratic colleagues' hearts, as evidenced by their vociferous applause.

After saying that he would vote to abolish the whole system the gentleman from Alabama, in true Jacksonian style, exclaimed:

I may say I do hope and pray, adopting somewhat the spirit of old Andrew Jackson on these propositions of rewarding the faithful, inasmuch as we have so many faithful and so many deserving, that we will not be limited in some of the new offices that are to be filled to merely the crumbs that fall from the table, but that we may have some of the loaves and fishes, and that the rights and interests of really deserving Democrats will not be forgotten. (CONGRESSIONAL RECORD, Mar. 22, 1933, p. 736.)

It is no wonder, in view of the raids on the merit system by the Democratic Party, with its tremendous majorities in Congress, that the National Civil Service Reform League should come to life and make a vigorous protest in its annual report.

Not since Grover Cleveland's administration—

Says the league's report—

has the merit system had to face a serious challenge to its existence as it faces now upon the latest change of administration.

And the report goes on to say, referring to the numerous new agencies created:

The new administration has turned its back upon the only method of safeguarding these new agencies from maladministration. Without a single exception, these new agencies thus created have been thrown open to the political spoilsmen to do with as they see fit. The excuse given when objection had been made to exemption from the Civil Service tests has been that these agencies are a part of the emergency program and that they may be temporary in character. A more specious excuse could not be devised to hoodwink the public. * * * It would be tragic if the recovery program were to be defeated or impeded by the clamor for spoils of office.

And now comes the crowning infamy against the merit system, the capstone to the monument of Democratic depredations, a frontal attack upon the Library of Congress, an institution above all others upon which the spoilsman has not dared heretofore to lay his unholy hands. One of the distinguishing features of that great Library, to which is attributable its marvelous efficiency, is its absolute freedom and separation from partisan politics. Its well-trained corps of experts and attendants are men and women who have been specially trained for library work, and now to disrupt that force, which has been built up through years of painstaking care, and make a shambles of it to satisfy the desire of politicians in quest of prey would be nothing short of a crime.

And yet it is seriously proposed to do this very thing. An account of this atrocious undertaking is given in an Associated Press dispatch, from which the following is quoted:

DEMOCRATS UNITING TO GET G.O.P. JOBS—HOUSE MEMBERS DISSATISFIED WITH FARLEY'S POLICY IN HANDLING PATRONAGE

Democratic House Members, dissatisfied with the way Postmaster General Farley is passing out patronage, have organized a special committee to find jobs for Democrats which are now being held by Republicans.

The committee was created by the Democratic National Congressional Committee. Representative MCCLINTIC, of Oklahoma, was named chairman. He said yesterday that Members of the House were so harassed by job seekers that, having failed to get the administration to take on Democrats, they had decided to try to find some jobs for their constituents.

The committee first turned its study to the 800 places in the Library of Congress, where the pay roll amounts to $773,360 annually and salaries run from $1,200 to $6,000 a year. These employees are not under the Civil Service and may be filled by Presidential appointment.

"There are about 800 employees in the Library of Congress," MCCLINTIC said. "The best check-up we can make is that about 40 or 50 are Democrats. Most of the others are Republicans and nearly all of them have been appointed in the past 12 years. At least 50 percent were appointed during the Hoover administration.

"We have tried to find out about these people holding these good jobs, but they won't give up all the information we want."

McCLINTIC said a check-up showed that most of them came from Illinois, Pennsylvania, Maryland, and Virginia, and that about 50 were foreigners.

McCLINTIC wrote a letter to his Democratic colleagues saying:

"The special committee appointed by the congressional committee to make a study for the purpose of bringing about more efficiency has endeavored to secure all the information available concerning employees in the Congressional Library who are employed from your State.

"It has been difficult to obtain detailed information concerning the identity of each person, and we are going to suggest that you call your delegation together and submit this list for identification.

"After you have done so, if you are desirous of supplementing any of the persons listed, it is our suggestion that you have the delegation present endorsements favorable to the persons you would like to have appointed and file the same with the Honorable James A. Farley, chairman of the Democratic National Committee, with the request that such persons as you have in mind be named to fill such vacancies.

"The committee also suggests that it would be advisable to contact the Democratic Senators from your State for the purpose of finding out whether any of those on this list have the kind of status that will entitle them to retain their present position."

The committee requested that the Members recommend "only such persons who are well qualified from an educational standpoint" for the positions. It added there was no desire to impair the efficiency of the institution.

"The committee further desires to say that the States are not equally represented in the present apportionment," the letter said, "and if some arrangement can be made to give additional employees to States that are not properly represented it will be a pleasure on our part to cooperate in the best manner possible."

McCLINTIC said many Members of the House were "almost afraid to go home, because they haven't been able to get any jobs for deserving Democrats in their districts."

He said there were many Republicans still on the Federal pay roll, that should be replaced as quickly as possible, and that his committee would cooperate with Farley in expediting the changes.

Is the Library of Congress, one of the greatest libraries in the world, to be dismantled in its personnel to appease the appetite of hungry office mongers and to furnish a spoils holiday for faithful partisans? By all means this great temple, which exemplifies the wisdom and practical results of the merit system, should not be defiled.

FINANCIAL INTERESTS SHOULD NOT DICTATE FOREIGN POLICY OF UNITED STATES GOVERNMENT

Mr. McFADDEN. Mr. Speaker, I doubt if the history of the relations between this country and Russia is known to every American citizen. It may not be considered amiss, therefore, if I dwell for a few moments on our past relations with that strange and interesting country. To do so it will be necessary for me to go back to the late eighties and the early nineties of the last century, when the United States was turning the corner and becoming rich and powerful. At that time a man named Jacob Schiff came to this country as the agent of certain foreign money lenders. His mission was to get control of American railroads. This man was a Jew. He was the son of a rabbi. He was born in one of the Rothschilds' houses in Frankfort, Germany. He was a small fellow with a pleasant face and, if I remember correctly, his eyes were blue. At an early age he set out from Frankfort to seek his fortune and went to Hamburg, Germany. At Hamburg he entered the Warburg banking establishment. The Warburgs of Hamburg are bankers of long standing, with branches in Amsterdam and Sweden. After Schiff had served his time with them, he went to London and worked with their London correspondents. He was also connected with the firm of Samuel Montagu & Co., the London gold merchants. When he came to this country, he was well equipped to do business as an international money changer. He knew how to be polite, he could write a smooth letter, and he always pretended to be a man of holiness and a philanthropist.

Sometime before Schiff's arrival there was a firm of Jewish peddlers or merchants in Lafayette, Ind., by the name of Kuhn & Loeb. I think they were there about 1850. Probably they made money out of the new settlers who passed through Indiana on their way to the Northwest. This firm of Jews had finally moved to New York and had set themselves up as private bankers and had grown rich. Jacob Schiff married Teresa Loeb and became the head of Kuhn, Loeb & Co. Schiff made a great deal of money here for himself and for the Jewish money lenders of London. He began to give orders to Presidents almost as a matter of course. He appears to have been a man who would stop at nothing to gain his own ends. I do not blame him for being a Jew. I blame him for being a trouble maker.

Russia had a powerful enemy in this man, Jacob Schiff. The people of the United States were taught to believe that this enmity of his was caused by wrongs done to Russian Jews. I look elsewhere for the motives which animated him.

In the 1890's Schiff was the agent in this country of Ernest Cassell and other London money lenders. These money lenders were looking forward to a war between England and Russia and were making preparations for propaganda designed to support England in the United States. This country was then a debtor nation, paying a high yearly tribute to Schiff and his principals. Schiff accordingly took it upon himself to create a prejudice in the United States against Russia. He did this by presenting the supposed wrongs of the Russian Jews to the American public. Unpleasant tales began to appear in print. School children in this country were told that Jewish children were crippled for life by Russian soldiers wielding the knout. By unfair means a wedge was driven between Russia and the United States.

One of Schiff's schemes was a sort of wholesale importation of Russian Jews into the United States. He drew up divers and sundry regulations for the temporary transplantation of these Jewish emigrants. He would not, he said, have them enter this country through the port of New York, because they might like New York too well to leave it for the outposts he had selected for them. He said it would be best to have them come in at New Orleans and to have them stay there 2 weeks, "so that they could pick up a few words of English and get a little money" before setting off for what he called the "American hinterland." How they were to get the money he did not say.

Aided by Schiff and his associates, many Russian Jews came to this country about that time and were naturalized here. A number of these naturalized Jews then returned to Russia. Upon their return to that country, they immediately claimed exemption there from the regulations of domicile imposed on Jews; that is, they claimed the right to live on purely Russian soil because they were American citizens, or "Yankee" Jews. Disorders occurred and were exploited in the American press. Riots and bombings and assassinations, for which somebody furnished money, took place. The perpetrators of these outrages appear to have been shielded by powerful financial interests. While this was going on in Russia, a shameless campaign of lying was conducted here, and large sums of money were spent to make the general American public believe that the Jews in Russia were a simple and guileless folk ground down by the Russians and needing the protection of the great benefactor of all the world—Uncle Sam. In other words, we were deceived. We were so deceived that we allowed them to come in here and to take the bread out of the mouths of our own American citizens.

I come now to the time when war was declared between Russia and Japan. This was brought about by a skillful use of Japan so that England would not have to fight Russia in India. It was cheaper and more convenient for England to have Japan fight Russia than to do it herself. As was to be expected, Schiff and his London associates financed Japan. They drew immense quantities of money out of the United States for that purpose. The background for the loans they floated in this country had been skillfully prepared. The "sob stuff", of which Schiff was a master, had sunk into the hearts of sympathetic Americans. The loans were a great success. Millions of American dollars were sent to Japan by Schiff and his London associates. England's stranglehold on India was made secure. Russia was prevented from entering the Khyber Pass and falling on India from the northwest. Japan at the same time was built up and became a great world power, and as such is now facing us in the Pacific. All this was accomplished by control of the organs of American publicity, releases to the

effect that Russian Jews and "Yankee" Jews were being persecuted in Russia, and by the selling of Japanese war bonds to American citizens.

While the Russo-Japanese War was in progress President Theodore Roosevelt offered to act as peacemaker, and a conference between representatives of the belligerents was arranged to take place at Portsmouth, N.H.

When the Portsmouth Conference took place, Jacob Schiff attended it and used such influence as he had with Theodore Roosevelt to win favors for Japan at the expense of Russia. His main object, then as always, was humiliation of Russians, whose only crime was that they were Russians and not Jews. He endeavored to humiliate the Russians, but Count Witte, the Russian plenipotentiary, did not allow him to succeed in this attempt. Schiff's power and the power of his organized propaganda were well understood by Count Witte, however. Consequently he was not surprised when President Roosevelt, who was often deceived, twice asked him to have Russia treat Russian Jews who had become naturalized in the United States and who had thereafter returned to live in Russia with special consideration; that is, not as Jews but as Americans. Witte carried home a letter from Roosevelt embodying this plea.

Mr. Speaker, the restrictions upon Jews in Russia at that time may or may not have been onerous. But onerous or not, before the Russians had time to change them, Schiff had the 80-year-old treaty of friendship and good will between Russia and the United States denounced. Speaking of this matter, Count Witte says in his autobiography:

> The Russians lost the friendship of the American people.

Mr. Speaker, I cannot believe that those people—the real Russians—ever lost the true friendship of the American people. They were done away with to suit the ambitions of those who intend to be the financial masters of the world, and some of us were deceived into thinking that in some mysterious way they, themselves, were to blame. The chasm that suddenly opened between ourselves and our old friends and well-wishers in Russia was a chasm created by Schiff the vindictive in his inhuman greed, and he created it in the name of the Jewish religion.

Mr. Speaker, it was a mistake for the United States to permit the integrity of its foreign policy to be jeopardized or affected adversely by such religious, racial, and financial meddling as that practiced upon us by Schiff and his London associates. The United States should manage its foreign affairs with more distinction than that which is implied in the picture of Jacob Schiff shaking his fist at the White House and muttering threats against William Howard Taft, then President of the United States, a man who was excessively distinguished in his chosen field and who represented the integrity and the patriotic Americanism of every generation of New Englanders from the first of Massachusetts Bay Colony to his own, and represented them well.

Mr. Speaker, the people of the United States should not permit financial interests or any other special interests to dictate the foreign policy of the United States Government. But in this connection history is now repeating itself. You have heard, no doubt, of the so-called persecution of Jews in Germany.

Mr. Speaker, there is no real persecution of Jews in Germany. Hitler and the Warburgs, the Mendelssohns and the Rothschilds, appear to be on the best of terms. There is no real persecution of the Jews in Germany, but there has been a pretended persecution of them because there are 200,000 unwanted Communistic Jews in Germany, largely Galician Jews who entered Germany after the World War, and Germany is very anxious to get rid of those particular Communistic Jews. The Germans wish to preserve the purity of their own blond racial stock. They are willing to keep rich Jews like Max Warburg and Franz Mendelssohns, whose families have lived in Germany so long that they have acquired some German national characteristics. But the Germans are not willing to keep the Galician Jews, the upstarts. So a great show is put on, largely by German Jews themselves, in the hope that Uncle Sam will prove himself to be as foolish as he was before and that we will allow those Galician and Communistic Jews to come in here. That is why Miss Perkins has been placed in charge of the Department of Labor. She is there to lower the immigration bars. It is thought that, being a woman, she may disarm criticism. She is an old hand with the international Jewish bankers. If she were not, she would not be here in a Jewish-controlled administration.

When the so-called "anti-Semitic campaign" designed for American consumption was launched in Germany, France was alarmed because she feared the Galician Jews might be dumped on French soil. French newspapers published articles concerning the menace, but now that France has been shown that the purpose of the anti-Semitic campaign is to dump the 200,000 communistic Jews on the United States she is worried no longer. "Ah", she says, "l'Oncle Sam, he is to be the goat. Very good."

Mr. Speaker, I regard it as a pity that there are Americans who love to fawn upon the money Jews and to flatter them. Some of these unfortunates are under obligations to Jewish money changers and dare not cross them. On June 6, 1933, there was a meeting in the city of Washington at which the following resolution was adopted:

> America has been greatly enriched through generations past by men and women of high quality who have come to our shores as a result of persecution in their own lands. Our country is known throughout the world as the haven of those who suffer from wrong and injustices, and who seek an opportunity for freedom not afforded in their own land. The present is another critical time, and there are many victims of religious and racial persecution in Germany who, because of superior attainments and qualities of fine citizenship, would make valuable additions to our Commonwealth. We, therefore, ask the Government temporarily to relax the immigration barriers in favor of such persons and urge the passage of such measures as will effect this result.

Mr. Speaker, the time for such tactics has gone by. We would be very foolish to allow Germany to dump her unwanted Jewish population on the United States. If the money Jews are as noble as they advertise themselves to be, let them advocate the payment of the veterans' adjusted-compensation certificates. Let them ease the burdens of the consumptive Jewish boys who are hauling heavy carts of fur and other material around the garment center of New York. Let them see that the long-suffering Jewish school teachers receive the salaries which are due to them but which are now in arrears. That would be better than to bring 200,000 Jewish Communists in here for political purposes.

Mr. Speaker, Jacob Schiff flourished like the green bay tree during the World War, but there are passages in his life which show his hysterical despair when the Allies sent their representatives here to obtain a loan. He endeavored to have Lord Reading, formerly Rufus Isaacs, prevent any part of it from going to Russia, although at the time Russia had a very large army of soldiers in the marshes, including thousands of Jewish soldiers, fighting the battle of the Allies on short rations and with insufficient supplies. He was willing to join in the loan, but he wished to have Russia and Russian Jews excluded from the benefits of it. Upon that occasion he was torn between a desire for profit and his professional hatred of Russia, and he cried out to his fellow directors in Kuhn, Loeb & Co. that he ought not to be placed in such a position. And then I believe he said they could do as they liked about it.

In the end it was one of the European Warburgs, a relative of Schiff's, who went to Brest-Litovsk to negotiate the separate peace—a peace which was deeply resented by a large number of loyal Russian Jews—a peace which was followed shortly afterward by the Third Internationale, one of the purposes of which is the destruction of constitutional government in the United States and the establishment here of the same form of government as that which now prevails in Russia. The rights of the sovereign States in the United States are being steadily undermined for that sinister purpose. How far down into the bottomless pit of communism the United States has been dragged by the Roosevelt administration under the smoke screen of an emergency is shown by a comparison of the program of the Third Internationale and the Roosevelt communistic measures forced into law

here during this special session of Congress under threats to deprive Democratic Congressmen of patronage and influence, or, as the President is said to have expressed it to a London correspondent, a determination on his part to keep every Republican officeholder in office until he got what he wanted from the Democratic Congress. Among the tasks set before the communistic party in the United States, as shown in Russia U.S.S.R., a Complete Handbook, edited by the scholar, P. Malevsky-Malevitch, and published by Payson in New York this year, I find the following:

> Transfer to the state of all gold reserves, valuables, securities, deposits, etc.; the centralization of all banking operations and the subordination of all the nationalized banks to a central state bank—

And so forth.

You have witnessed the unlawful seizure by Franklin D. Roosevelt of gold reserves and other values belonging to the people of the United States, the destruction of banks, the attempted whitewashing of the Federal Reserve Board and Federal Reserve banks, the corruption of which he admitted in his campaign harangues; and you may have noticed that what was confiscated is not in the hands of the present constitutional Government but in the hands of the international bankers who are the nucleus of the new government Roosevelt is seeking to establish here. Roosevelt's actions are not in accordance with the Constitution of the United States. They are in accordance with the plans of the Third International.

At one time Trotzky was a favorite with Jacob Schiff. During the war Trotzky edited Novy Mir and conducted mass meetings in New York. When he left the United States to return to Russia, he is said upon good authority to have traveled on Schiff's money and under Schiff's protection. He was captured by the British at Halifax and immediately, on advice from a highly placed personage, set free. Shortly after his arrival in Russia he was informed that he had a credit in Sweden at the Swedish branch of the bank owned by Max Warburg, of Hamburg. This credit helped to finance the seizure of the Russian revolution by the international Jewish bankers. It assisted them in subverting it to their own ends. At the present time the Soviet Union is in debt.

From the date of Trotzky's return to Russia the course of Russian history has, indeed, been greatly affected by the operations of international bankers. They have acted through German and English institutions and have kept Russian in bondage to Germany and both Germany and Russia in bondage to themselves. Their relatives in Germany have drawn immense sums of money from the United States and have in turn financed their agents in Russia at a handsome profit.

The Soviet Government has been given United States Treasury funds by the Federal Reserve Board and the Federal Reserve banks acting through the Chase Bank and the Guaranty Trust Co. and other banks in New York City. England, no less than Germany, has drawn money from us through the Federal Reserve banks and has re-lent it at high rates of interest to the Soviet Government or has used it to finance her sales to Soviet Russia and her engineering works within the Russian boundaries. The Dnieperstroy Dam was built with funds unlawfully taken from the United States Treasury by the corrupt and dishonest Federal Reserve Board and the Federal Reserve banks.

Mr. Speaker, our workingmen have been told that Russia is the best country in the world today for a workingman to live in. They have been made to regret that they cannot go to Russia to work on one of the great enterprises being carried on by the Soviet Government from which American workingmen are excluded. Mr. Speaker, in my opinion, the Russians have a right to set up any form of government that pleases them and suits their needs. But for some reason, whether due to some defect in the Soviet form of government or to some other cause, Russia has not been able to maintain its present form of government otherwise than at the expense of countries in which there is greater freedom for individuals and in which the property rights of citizens have been respected and preserved. Open up the books of Amtorg, the trading organization of the Soviet Government in New York, and of Gostorg, the general office of the Soviet trade organization, and of the State Bank of the Union of Socialistic Soviet Republics, and you will be staggered to see how much American money has been taken from the United States Treasury for the benefit of Russia. Find out what business has been transacted for the State Bank of Soviet Russia by its correspondent, the Chase Bank of New York; by Lloyd's Bank of London; by Kleinwort Sons & Co. of London, whose correspondents are the principal New York banks; by Glyn Mills & Co. of London and their American agents, that is, the International Acceptance Bank of New York, the Guaranty Trust of New York, the Central Hanover Bank of New York, the Chemical Bank & Trust Co., H. Clews & Co., Kidder Peabody & Co., Winslow Lanier & Co., and Lee, Higginson & Co., the promoters of Swedish Match. Find out how much United States money has passed through the Bank for Russian Trade of London and through the Midland Bank, Ltd.

If the extent of these transactions were known to the American workingman and if he could see that the raw material, the United States dollars, in those transactions came out of his own pocket and the pockets of his fellow citizens, he would understand that Russia is not a good place for a workingman unless other workingmen in other countries are forced to pay tribute to its needs. Russia owes the United States a large sum of money. If we had what Russia owes us today, the veterans of the United States would not need to fear the first of July 1933 when they are to be despoiled of their pension rights and privileges. Mr. Speaker, I am unalterably opposed to a reduction in the pensions that were lawfully conferred upon the United States veterans of all wars, their widows and dependents. I am in favor of the immediate payment of the veterans' adjusted-compensation certificates. If the United States can carry Germany and Soviet Russia and John Bull on its back, it can pay its veterans. If it can lend $50,000,000 to sovietized China and furnish material for the manufacture of high explosives, it can pay its veterans.

Mr. Speaker, an immense amount of United States money has been used abroad in preparations for war and in the acquisition and the manufacture of war supplies. Germany is said to be part owner of a large poison-gas factory at Troitsk on Russian soil. China is almost completely sovietized, and in the Asiatic interior huge stocks of munitions are said to be stored awaiting the day when the war lords of the United States will ship United States troops to Asia. Mr. Speaker, the United States should look before it leaps into another war, especially a war in Asia. It should decide whether it is worth while to join hands with Russia and China in a war against Japan. For myself, I say and I have said it often that the United States should remember George Washington's advice. It should mind its own business and stay at home. It should not permit the Jewish international bankers to drive it into another war so that they and their Gentile fronts and sycophants by way of Louis McHenry Howe, the graftmaster, may reap rich profits on everything an army needs from toilet kits to airplanes, submarines, tanks, gas masks, poison gas, ammunition, bayonets, guns, and other paraphernalia and instruments of destruction.

EXECUTIVE ORDERS AND THE AMERICAN CONSULS WITH SPECIAL REFERENCE TO IMMIGRATION VISAS

Mr. CELLER. Mr. Speaker, under the general leave for extension of remarks granted Members at the close of the session, I desire to submit the following:

I wish to call attention to the attitude of the State Department toward Congress in connection with the Executive order of President Hoover and the interpretation of that order by American consuls abroad, in the granting of immigration visas. The State Department has virtually slapped Congress in the face by its attitude during the last few years. I repeat that this Executive order issued by President Hoover and the orders promulgated by the Department of State thereafter is an absolute slap in the face of Congress.

We have adopted a statute which says that there shall be admitted into this country, under all the proper safeguards relative to contract labor, relative to becoming public charges, 150,000 or so immigrants every year.

The conclusion, to my mind, is inescapable, when the State Department undertakes to reduce that quota by 92 percent—not by 10 percent, not by 15 percent, not by 25 percent, but by 92 percent—that they are flouting the will of Congress. Ten or 15 percent might be excusable, but 92 percent cannot be accepted with complacency. That cut is absolutely unlawful and unwarranted under any condition. It is tantamount to almost total exclusion.

I can give you any number of cases within my own experience, in my own office, where the American consuls have been laws unto themselves. The courts have held that we cannot reach out and by certiorari, mandamus, or any other proceeding make them change their wills or judgments in these cases, and they know it and they have acted unreasonably. The State Department's attitude has been such as to give undue emphasis to the Executive order about economic conditions prevailing in this country. The State Department has construed that order to mean absolute exclusion, nonimmigration. And as to the actions of the Department relative to the "public-charge" provisions, I am concerned and alarmed about the undue emphasis given to the Executive order of President Hoover. Had the order been personally construed, I would not complain. But the Department has used the order as an instrument of utter exclusion in 92 percent of all the cases. That is outrageous and unpardonable and must stop. If we could pass a resolution, some sort of a resolution, which would "crack some of these consuls across the knuckles", we would be getting relief, and we need relief. I do not mean to disparage our consuls generally. Most of them are fine men. Perhaps they have acted under instructions from home. If so, we must "crack on the knuckles" some of our State Department officials here in Washington.

I have been asked whether or not the President could not "crack" the Department, or the State Department could not "crack" the consular officers in the various parts of the world and force them to correct the evil conditions. This could be done. The State Department can and should do the "cracking." This expression is a figurative one for discipline or punishment with admonition to sin no more. We could call the Department to task, and it in turn could admonish the consuls not to give undue emphasis to this Presidential proclamation, not to be cruel and oppressive or unreasonable in its application; but then in many cases the consuls would again arbitrarily refuse visas to persons who would not really become public charges—persons who have had as much, taking the combined resources of the immigrant on the other side of the water and what they have had here, as $2,500. It is ridiculous to refuse visas to those with that much money. They would never become public charges. That is a lot of money these days. Some of these excluded immigrants have had more than some Congressmen can claim to their credit. And they have been denied admission into this country. That is what I mean when I say undue emphasis was laid upon the Executive order.

Furthermore, there is no warrant in the statute for the order issued by President Hoover. We pride ourselves on being a Government of law and not of men, but Mr. Hoover made it a Government of men when he issued that order.

Now the Immigration Act is not flexible; it is an inflexible statute. The Secretary of Labor for years has been pleading with you to give him some flexible power, some discretionary power, for example, which would enable him not to deport in cases where there would be an undue hardship. Congress has always denied that right, has always refused to give him that discretion, has always refused to consider the statute flexible; yet we have the State Department saying that the law is flexible, that it can be bent in any way they wish, because of the construction that they wish to place upon the "public-charge" provisions.

Of course, it is true that there must be some distinction between the interpretation given with reference to this public-charge clause in a time of plenty and prosperity and that given when the economic conditions of the country are what they are today with 12,000,000 idle people walking the streets. But, nevertheless, I say that the State Department has twisted the provisions of the statute entirely out of their original purpose; and, while it is true the Department must give color to their construction of the statutes by pointing to the present economic conditions obtaining in this country, I maintain that the Department has not raised its finger to hold in curb, to hold within certain limitations, reasonable limitations, the American consuls abroad. They have been laws unto themselves, and in innumerable cases that have come under my ken and that have come under the ken of the city Members particularly they have been more vigilant, they have been unduly vigilant, they have been unjustly vigilant, of the rights of American workmen in that regard. They have gone to extremes. Instead of weighing the evidence carefully, they have just excluded. It could not be otherwise when they excluded 92 percent. That number is startling.

It may be said that I am inconsistent when I admit that the State Department has a right to construe the law according to the exigencies of any situation that may arise; that a law has to be construed according to the intention of the lawmakers; and if the State Department has a right to interpret it in one way at one time and in another way at another time, we are inconsistent. But this seems to me to be a situation where the rule of reason should operate, just as the Supreme Court adopted a rule of reason in the *Anti-trust cases*. In a way, by taking this position, we do go right out of court; but I say when you cut the number down to 92 percent, you cut it down unreasonably. It only takes 8 percent more, and then what have you? You have total exclusion—by Congress? No! By the State Department.

How can we go about changing this interpretation and administration of the law? We can do this: We can suggest to the President the rescinding of the order. Every provision of the order is objectionable. The President has no right to issue such an order. The same may be said as to the order issued by Secretary Doak, where that Secretary of Labor said that after a certain date all aliens entering into this country shall be fingerprinted. Now, we who are the older Members of this Congress have set our faces against a proposition of that character and Congress refused to adopt a provision that all aliens shall be fingerprinted or registered. Congress many times refused to pass such a law, yet the Secretary of Labor went out of his way to issue that kind of an order. Thus the Secretary did what Congress forbade. That is what I am inveighing against—these orders issued by executives, whether they be the Secretary of Labor, the President, or the head of a bureau. They have got to stop. The Congress has acted; the Congress has given its word in these matters, and Congress has said that 150,000 aliens should be admitted, and Congress has said that the provisions relative to contract labor and public charges shall be respected, and all I want is that the consuls shall respect them. They do not need any acceleration in their vigilance by Executive orders of this character. I say this: I say rescind that order and you will get what you want, and everyone will be satisfied.

The President has the right to rescind that order, even without a suggestion from Congress. I think the mere adoption of a resolution by the Committee on Immigration and Naturalization would be sufficient, and I believe that would be the desirable thing to do; it would be the diplomatic way to do it and, I think, would win our point.

I think the committee would be doing a great service also in the matter of what is happening in Germany at the present time. This, to my mind, would be a very gentle protest; it would give no offense to the German Government—none whatsoever. And I might say, in passing, that Secretary Hull and his immediate staff in a very temperate, fair, and statesmanlike manner have handled admirably the situation

which has developed relative to the Jewish question in Germany. His ministrations are healing and will bring a cure, I am sure. Time will vindicate his attitude.

I am not one of those who want to indulge in any intemperate, wild, vituperate, and revengeful remarks against any nation, but what is happening in Germany today is such as to force the entire humanity of the world to take heed and bow its head in shame for Germany. Certainly there is a carnival of hate, an orgy of unreasonable and unreasoning persecution going on at the present time in Germany. The Jews there undoubtedly live in a poisoned atmosphere. We can and ought to succor them if they be eligible for immigration into this country, and we should not be unduly harsh and unreasonable with them on the question of the "public-charge" matter and this unlawful Executive order. We all know that we have always given relief to the persecuted and tempest-tossed. You have but to refer to your history to find copious examples in that regard. Roger Williams founded a colony for those persecuted for their religion. I remember well the words of Washington, written to a very distinguished group of citizens of the Portugese synagogue of Newport, wherein he said he rejoiced that the children of the stock of Abraham can now live in safety under their own vine and fig tree, and there shall be none to make them afraid. Indeed, what is happening in Germany today makes all who happen to be of the stock of Abraham, Isaac, and Jacob afraid. Let us remember here and now these words of Washington. Let these hunted and baited Jews live here under their own vine and fig tree unafraid.

If you go to the Statue of Liberty in New York Harbor, at the base thereof you will find a very splendid tablet upon which is engraved "The New Colossus." I will just read you one or two lines of the sonnet, "The New Colossus", by Emma Lazarus. America through Liberty is supposed to be speaking and says—

Give me your tired, your poor, your huddled masses, yearning to breathe free;
* * * send these, the homeless, tempest-tost, to me.
I lift my lamp beside the golden door.

The suggested resolution, in a very temperate way, in a very dignified way, would be a solemn and effective protest to Germany; on the other hand, it would be giving a modicum of relief to some of the children and the aged parents of those who are afflicted now in Germany and who are indeed sorely distraught, who are "tempest-tost" and "homeless" and whose only fault is that they are of the faith in which was born the author of Christianity.

THE VITALLY IMPORTANT INTERESTS OF ALL AMERICANS IN THE DISTRICT OF COLUMBIA

Mr. BLANTON. Mr. Speaker, availing myself of the privilege unanimously accorded by the House to extend my remarks, I want to say that all the people of the United States are vitally affected by every important transaction that occurs in the Nation's Capital.

Until recently the Washington Post has been in the McLean family for two generations. On June 1 it was sold under a receivership at public auction for $825,000 bid by a lawyer, who refused to disclose the name of the real buyer, its publisher, Edward McLean, having been removed by court order. His estranged wife, Mrs. Evalyn Walsh McLean, made bids up to $600,000, in a strenuous effort to save their newspaper heritage for her two fine boys—the third generation in the McLean-Post lineage. But this struggling mother was ground between the upper and neither millstone of avarice and greed for press power, and her efforts were in vain, for against her on one side was shrewd legal talent representing William Randolph Hearst bidding $800,000, and on her other side was this secret, unnamed dark horse, whose wealth was apparently unlimited, who ran the bidding up successfully to $825,000, taking from her sons their coveted heritage.

With him, in a few years, it will be forgotten that Edward McLean once took to Albert B. Fall $100,000 in greenbacks in a little black satchel. But the parenthood of the world will never forget the mother's love that prompted Evalyn Walsh McLean to spend $100,000 of her own money in trying to find the little baby of Colonel and Mrs. Charles Augustus Lindbergh. So the sympathy of mothers and fathers was with this losing mother in her fight for her boys.

Not until June 12, after the court had approved and confirmed the sale, did this secret buyer come out of hiding and let his identity be known. Then in a center, top, double-column announcement on the front page Eugene Meyer heralded the fact that the Post had been bought for him, that he "is the sole stockholder", that he acted "entirely on my own behalf", and that he had incorporated it for $1,250,000, and would conduct it as an independent paper.

Just what is the purpose of Mr. Eugene Meyer in paying $825,000 for the Washington Post? He has been on the public pay roll of the Government since 1917 handling billions of dollars. He was first adviser nonferrous metals, Advisory Commission of Council of National Defense, and later held the same position with the War Industries Board; was a member of the National Committee on War Savings, and then a director of the War Finance Corporation, becoming managing director; was a member of the Federal Farm Loan Board, and 2 years later became Federal Farm Loan Commissioner; was appointed by President Hoover as Governor of the Federal Reserve Board on September 16, 1930, and also chairman of the board of the Reconstruction Finance Corporation, and not until President Franklin D. Roosevelt had taken over the affairs of this Nation did Eugene Meyer leave his Government positions to become publisher of a newspaper.

All of us remember the unconscionably large salaries of $20,000, $25,000, $30,000, $40,000, $50,000, and even $75,000 that Eugene Meyer permitted to be paid under his regime and the waste and extravagance that existed in his organizations. On April 4, 1933, the gentleman from Mississippi [Mr. BUSBY], a member of the Committee on Banking and Currency, stated from this floor that during the past 3 or 4 years he had seen the management of the Treasury and of the Federal Reserve Board conducted in a way that was undoubtedly destructive to the best interests of the people of this Nation; and he was applauded for saying it. Then he said that he regarded the present Governor of the Federal Reserve Board, Mr. Eugene Meyer, as the most detrimental influence to the recovery of this country that it is possible for you to find in all the bounds of this fair land; and again the House applauded him. Then he predicted that unless President Roosevelt discarded Eugene Meyer we would go down in disrepute, just as the Hoover administration did; and again the House applauded. And shortly thereafter Mr. Eugene Meyer separated himself from Government service.

Then on May 23, 1933, the gentleman from Pennsylvania [Mr. MCFADDEN], who for years during Republican regime was Chairman of the great Banking and Currency Committee of the House of Representatives, arose on the floor and on his own responsibility filed impeachment charges against Eugene Meyer and others, which, on motion duly passed, were referred to and are now pending before the Committee on the Judiciary, and among numerous others Mr. Eugene Meyer and associates were charged with having defrauded the Government of the United States and the people out of billions of dollars and with causing losses amounting to billions of dollars to the depositors of closed banks.

So, with the above confronting him, Mr. Eugene Meyer, now a private citizen, as a secret, unnamed buyer, paid at a public auction $825,000 for the Washington Post. Just what was his purpose? He says "to run an independent newspaper." If the charges made against him by Congressman BUSBY and Congressman MCFADDEN are true, that is the way he ran our Government business—independent, when it should have been for the public. When, after secretly bidding $825,000 for the Post at auction on June 1, and then after getting such purchase confirmed by the court on June 12, he announced on the front page of his Washington Post the next morning that he "acted entirely on his own behalf", it may make the public wonder just what they may expect from it.

Immediately Publisher Eugene Meyer's Washington Post began to attack the administration. He attacked the President. He attacked the Congress. He attacked me personally. He prophesies that should President Roosevelt propose a reorganization of the municipal government with one man at the head of it, House Members will contend that some citizen of the States be appointed, and that this would embarrass the President because of his Hawaiian Island program. Then his Post asserts that the District will have many violent enemies and few defenders who are more than lukewarm, and that undoubtedly the House, "led by such tirading enemies of the District as Representative THOMAS L. BLANTON (Democrat), of Texas", will want to rewrite the measure to suit themselves. He refers to the enemies of the District as "the Blantons." He even uses the following Attack of the Blantons as a subheadline. And under it he refers to such distinguished, outstanding patriots as Congressman CLARENCE CANNON, of Missouri; JOHN TABER, of New York; JAMES P. BUCHANAN, of Texas (Chairman of the Committee on Appropriations); CARL MAPES, of Michigan; and JAMES FREAR, of Wisconsin, as "enemies of the District", and says that they are determined to impose heavier and heavier taxes on District residents and to restrict their liberty of expenditure, when in truth and in fact he knows full well that through the efforts of these gentlemen he attacked the tax rate for the people of Washington was reduced this coming year from $1.70 to $1.50 per $100, which is the lowest tax rate in the whole United States for any city of comparable size. And he knows that Washington people pay only $8.75 per year per family for the best water in the world; that they pay only $1 per year to register and get license tags for their automobiles, whether they are Fords or Rolls-Royces; that the tax on gasoline here is only 3 cents per gallon, when it is 7 cents in Tennessee; that no additional school or other taxes are paid in Washington notwithstanding the 85,000 school children have the finest schools, the most commodious playgrounds, and the best advantages, and are furnished all of their schoolbooks free, as the tax rate of $1.50 on the $100 covers all taxes paid in Washington, D.C., with an exemption of $1,000 allowed on household furniture. And to try to curry favor with them, Publisher Eugene Meyer has his Post list two Senators by name as dependable friends, whose people back home do not have half of the advantages enjoyed here in Washington, but who pay several times the taxes Washington people pay.

Is not Publisher Eugene Meyer thinking about his own pocketbook? Remember when he bought the Post he said he acted "entirely on his own behalf." Is not he now acting on his own behalf when he thinks that Congress is going to make him pay a tax rate of $1.50 on the $100, and he does not want to pay such tax on his new $825,000 investment here, and he thinks that by attacking some Congressmen and praising some Senators he may be able to reduce the tax rate below $1.50 on the $100, when publishers in other comparable cities are paying as high as $4.70 on the $100?

Then because a Mr. George Reynolds registered at the Pennsylvania Hotel and bought a bottle of rot-gut whisky and was arrested and taken to police station no. 1, where shortly after 5 p.m., he gave his name as that of a prominent Democratic official, though giving an age that was not that of such official and giving an address that was not that of such official, which would clearly indicate him to be an impostor, such police lieutenant at no. 1 station received from such man the $15 collateral required for release, which entitled him to immediate release, but nevertheless held such party locked up from 5 p.m., until 2 a.m., so that a night reporter for the Washington Post could carry the story in front-page headlines in the 1:30 a.m. edition, it looked very much like a frame-up between a newspaper and a police station, especially when the wife, the son, and the office employees of said official all notified said newspaper that such official was in New York and not in Washington.

Just what does Mr. Eugene Meyer hope to profit by running that kind of a newspaper? He may sell that kind of news to the night clubs and running such a newspaper may be profitable in money to him, just as was the way he ran the Federal Reserve banks and other Government business. Fortune Magazine once stated that he started out on his own and has made his money since he was 25 years of age. He ought to remember that it does not pay to commercialize "the souls of men." And every policeman in any way responsible for taking that $15 collateral from the arrested man who registered at the Pennsylvania Hotel as George Reynolds and then kept him locked up for 9 hours thereafter, until an early edition of the Washington Post carrying such scandal was being sold on the streets, ought to be kicked out, lock, stock, and barrel, off of the Metropolitan police force.

Mr. Eugene Meyer is a member of the Metropolitan Club, the Cosmos Club, the Congressional Club, the Racquet Club, the National Press Club, and the Washington Golf and Country Club here in Washington, and also a member of the following clubs in New York, to wit: The Players Club, the Lotos Club, and the Grolier Club. He really does not have time to properly run a newspaper if he attends any of his clubs regularly.

If I would vote to spend all of the millions of dollars out of the Federal Treasury that the Eugene Meyers want expended, and would vote to make the 120,000,000 Americans living in the States pay all of the civic expenses here and the taxes in Washington so as to relieve the Eugene Meyers from paying any taxes on their $825,000 investments in Washington, the Eugene Meyers would gladly give me a several-column write-up, with pictures and everything, on the front page of their Washington newspapers every day. But the newspapers of the Eugene Meyers do not eulogize public officials for doing their duty and protecting the interest of all the people. They eulogize only such Congressmen and Senators as servilely vote big Treasury hand-outs to Washington people at the expense of all the taxpayers of the United States.

As we are to go to our homes until next January, I want to say a word of praise for the three splendid officials who faithfully serve us daily here on the House floor, and who are to remain here hard at work with their many cares, burdens, and responsibilities hanging heavily upon their shoulders every day, every week, and every month between now and next January.

Our able, efficient, and popular Clerk of the House, Hon. South Trimble, of Kentucky, while a farmer by occupation, was twice elected to the Kentucky House of Representatives, and served as speaker of the house during the last year of his second term. He served as a Member of this House of Representatives in the Fifty-seventh, Fifty-eighth, and Fifty-ninth Congresses. He was the Democratic nominee for lieutenant governor of Kentucky in 1907. He was elected and served as Clerk of this House of Representatives for the Sixty-second, Sixty-third, Sixty-fourth, and Sixty-fifth Congresses. And when the Democrats resumed control of the House he was reelected and has served as Clerk of the House in the Seventy-second and this Seventy-third Congress. He is universally well liked and is most accommodating and obliging to every Member.

Our capable and always dependable Sergeant at Arms of the House, Hon. Kenneth Romney, of Montana, has been serving the House of Representatives continuously for the past 19 years. During the time Hon. Champ Clark was Speaker of the House Kenneth Romney was the Assistant Sergeant at Arms. During the 12 years the Republicans were in power Romney served as cashier in the Sergeant at Arms' office. As soon as the Democrats regained control of the House in the Seventy-second Congress, Kenneth Romney was elected Sergeant at Arms, and was reelected for the Seventy-third Congress. No official employed in the Capitol is more courteous, more obliging, more painstaking to serve, or more dependable than is Kenneth Romney. Many Members who know him personally have deep affection for him. Numerous Members fraternize with him socially, and no man in the Capitol has more friends. Kenneth Romney is well educated, with training in the University of the State of Washington and in the George Washington Uni-

versity here. He has a splendid young son who has just reached the age of 21. Kenneth Romney has been the official tally clerk in the last three Democratic National Conventions, and is a loyal, patriotic party Democrat.

Hon. Joseph J. Sinnott, of Virginia, is our always-dependable Doorkeeper of the House of Representatives, and is one of the best-known party Democrats in Washington. During the years Champ Clark was Speaker Joe Sinnott served as Doorkeeper of the House. On the many occasions during the war Congress that it was necessary to assemble both Houses in joint session to hear President Woodrow Wilson deliver his famous messages to Congress, and on the occasions when all high officials, foreign and domestic, would be present, it was Joe Sinnott who with so much dignity and efficiency formally announced them all as in line of seniority they appeared at the door. Joe Sinnott has been doorkeeper of several Democratic National Conventions and has rendered many courtesies to numerous Members. As Doorkeeper of the House, he has under his jurisdiction and personal control many scores of employees, and he is kept busy every month in the entire year. He is a fine official, a good friend, and a loyal Democrat.

THE VINDICATION (?) OF C. E. MITCHELL, FORMER PRESIDENT OF THE NATIONAL CITY BANK

Mr. SABATH. Mr. Speaker, during the last few years more than 200 small bankers have been convicted or plead guilty and many more have been indicted and will be sent to the penitentiary or the jails for illegal acts.

Today's newspapers, in enlarged headlines, herald the distressing and poignant information that Charles E. Mitchell, erstwhile head of the National City Bank, has been acquitted. I am surprised that the jury did not award Mr. Mitchell a medal for his "uprightness" and "honesty" and zeal in "protecting" the investing and depositing public.

No wonder the people of the United States are commencing to lose confidence in their judicial system and how justice is being administered.

From the statements of Senator GLASS on the floor of the Senate, and many other responsible and well-informed authorities, Mr. Mitchell, one-time head of the National City Bank, in conjunction with the House of Morgan, the Chase National, and a few other large banking institutions, brought about the existing deplorable conditions in the United States, which have caused the closing of about 6,000 banks and are responsible for the losses and the plight of many of the smaller bankers who have been imposed upon by this atrocious, flagitious, heinous Wall Street interlocking combination. These small bankers, in some cases of improper or limited experience, relied upon the selfish and criminal recommendations of the big bankers in connection with the sale and buying of millions of worthless bonds and stocks that have been shamefully unloaded, and thereby rendered these small banks insolvent. Consequently these small bankers are being sent daily to the penitentiary while the arch conspirators, potential felons, one and all, headed by Mr. Mitchell and his unique kind, are being made free, perhaps in the due course of time, again to plague the business world.

Although I do not desire to attempt to defend some of the small bankers who have crassly become a prey to these dishonest manipulations, nevertheless my sympathies are with most of those who unwittingly, ignorantly erred through machination of that nefarious coterie of investment bankers headed by Mr. Mitchell and such like who brought about the downfall of so many small banks. Therefore I am very much pleased to read in the press of today that Attorney General Cummings, able foe of wrongdoers, is determined to prosecute and bring to justice not only the little fellows, many of whom have simply been unfortunate, but will persistently and zealously go after those actually responsible.

Something must be done, and done soon, before the masses of the people of this country lose all respect for the courts of the land. Gradually the feeling is growing that there is one kind of justice for the rich and another for the poor. The acquittal of Charles E. Mitchell will tend to increase that suspicion.

The acquittal came as a great surprise to nearly everyone that had been following the case. The newspaper accounts of the testimony tended to create the impression in the public mind that a strong case had been set up by the Government against Mitchell.

The charge was that this banker tried to defraud the Government of income taxes in 1929 and 1930 through fake sales of stock and through failure to report receipt of income from the National City Co.'s management fund. It was alleged that the sale of stock to his wife was a racket by which he could appear to sell the stock but actually keep it. This charge seemed to have been fully proven by the following facts: No transfer tax stamps were affixed. No notice was given to J. P. Morgan & Co. that he had sold the stock which they held as collateral for his loan. His wife paid no cash whatever for the stock, nor did she receive delivery of the stock.

Therefore, it is little wonder that millions of people view the acquittal of this money king as a miscarriage of justice.

One thing is self-evident to me, and that is that Congress at the very next session must tighten up the laws if we have not sufficiently done so in the session just closed, to make this kind of juggling hereafter and forever impossible.

AN ANALYSIS AND DISCUSSION OF SOME OF THE MAJOR MEASURES PASSED BY THE SEVENTY-THIRD CONGRESS, INCLUDING THE SUBMISSION OF THE AMENDMENT TO THE STATES FOR THE REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. OLIVER of Alabama. Mr. Speaker, leave having been granted to extend my remarks, I desire to place in the Record a letter written by me to Hon. W. E. W. Yerby, of Greensboro, Ala., in reply to a letter from him requesting a statement from me relative to the major measures passed by the Seventy-third Congress, and making special inquiry as to the submission of the amendment to the States for the repeal of the eighteenth amendment.

Mr. Yerby has served several terms as a Member of our State legislature and has for many years been the owner and editor of one of the outstanding weekly papers of the State and a lifelong prohibitionist.

Since his letter typifies inquiries received from other constituents and he has requested that my reply be made public, I here insert in the RECORD my letter, in which I have briefly analyzed and discussed some of the major measures passed by Congress, including the repeal amendment.

Hon. W. E. W. YERBY,
Editor Greensboro Watchman,
Greensboro, Ala.

DEAR MR. YERBY: I am grateful for your letter of recent date, and it is a pleasure to comply with your request for a statement of the achievements of President Roosevelt's administration during the few months our party has had control of the National Government. It is a record of which we, as Jeffersonian Democrats, have every right to be proud, and one to the larger fulfillment of which we can dedicate ourselves with confidence.

Our Democratic platform, adopted at Chicago, carried these words:

"We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power."

Never has any party moved as swiftly to keep such a covenant with the people who voted it in power. Our major pledges have been translated into law; the President now is moving to carry them into action:

To establish control over all industry, with the view to fixing minimum wages and maximum hours of work, regulating production, and otherwise to promote, encourage, and require fair competition;

To set up a system of Government licenses for business, if necessary to require conformance to the above;

To initiate and direct, through a Federal director of public works, a $3,300,000,000 public-works program as a further Government contribution to reemployment—of which sum more than $12,000,000 has already been allocated for immediate expenditure in Alabama;

To direct, through a Federal Director of Relief, expenditure of $500,000,000 supplied by the Reconstruction Finance Corporation for relief of destitution;

To invoke the Presidential powers of the World War to regulate transactions in credit, currency, gold, and silver, even to embargo gold or foreign exchange; to fix restrictions on the banking business of the Federal Reserve System irrespective of the Federal Reserve Board;

To extend direct price relief to agriculture to raise the growers' prices of cotton, wheat, and other basic commodities. (The President's plan will be presented to the farmers of Alabama at once, and my earnest hope is that they will willingly cooperate);

To provide for refinancing loans on farms and on homes in cities and towns, definite information as to the details of which is available through State and county agents in Alabama;

To reduce Federal expenditures looking to a balanced Budget;

To reduce by Executive order the salaries of all Government employees by an amount not to exceed 15 percent upon the finding of commensurate reduction in cost of living;

To transfer, eliminate, consolidate, or rearrange bureaus in the executive branch of the Government in the interest of public economy;

To repeal by Executive proclamation certain new taxes voted in the Industrial Recovery Act upon showing of restoration of business or in event of repeal of the eighteenth amendment.

To publish heretofore secret income-tax returns to the extent the President may deem in the public interest, and under such rules and regulations as he may prescribe;

To inflate the currency either by requiring open-market operations in Federal securities, devaluing the gold dollar by not more than 50 percent, issuing United States notes up to $3,000,000,000, or accepting up to $200,000,000 in silver in payment of the allied war debts;

To employ more than 250,000 unemployed men in reforestation operations, as a still further Government contribution to reemployment;

To appoint a coordinator of railroads to effect economies among the carriers and improve the service to the public;

To appoint a Tennessee Valley Authority to develop natural resources of Tennessee River Basin, including completion of Muscle Shoals project, for which $50,000,000 has already been appropriated and allocated;

The Glass-Steagall bill to prevent banks from employing deposits of the public in speculation and to separate them from affiliates dealing in securities, for stricter supervision of banking, and to set up a corporation to insure bank deposits.

It is my purpose during the summer to visit the counties of my district and discuss such parts of this important legislation as may be of immediate interest to my constituents.

You ask me specifically about repeal of the eighteenth amendment.

President Roosevelt, as a true Jeffersonian, dedicated himself and the Democratic Party to accomplish repeal when he said in his speech of acceptance at Chicago:

"This convention wants repeal. Your candidate wants repeal. And I am confident that the United States of America wants repeal."

During the campaign Mr. Roosevelt devoted his major addresses to specific issues one at a time. His first formal speech was devoted to repeal of the eighteenth amendment. Not content with that, however, he reiterated his stand in several subsequent addresses in different parts of the country. He set his feet squarely on the Jeffersonian principle of State rights and there he has stood and called the Democratic Party to stand with him.

That I propose to do, and it pleases me that you take the same position.

I am confident Alabama can and will do no less.

President Roosevelt has linked repeal of the eighteenth amendment with the whole of his economic, reconstruction, and prosperity program in such a way as to render it impossible now for any true supporter of the President to tear them apart. It is inconsistent to back the President on his great industrial and public-works program, while refusing to accept his plan to finance the necessary bond issue through taxation. The temporary taxes which Congress voted are to remain only until repeal shall have been accomplished.

In urging that the States repeal the eighteenth amendment at the earliest possible date, the administration in Washington has sought merely to confirm the party platform on which a triumphant Democracy rode into office last November promising a better day for America. The Democratic platform declared not merely for the submission of a repeal resolution by the Congress but for actual repeal. That cannot be accomplished until 36 States have ratified the repealing resolution.

It is a dual purpose, therefore, which President Roosevelt has in mind and for which he has engaged the full strength of his administration. The first was to make good on the party pledge. The second is to enable him to carry forward his reconstruction program with a balanced system of Federal revenues.

Anyone moderately familiar with the situation prevailing today respecting national prohibition cannot help but realize that repeal of the eighteenth amendment is inevitable. As State after State has registered its sentiments, the size of the popular majorities for repeal have mounted beyond the expectations even of the most ardent repealists.

Since you ask permission to publish my reply, I trust it will not be thought inappropriate to interject this brief personal reference:

As you and other friends at home know, I am a total abstainer from all forms of alcoholic beverages and, recognizing the value of prohibition, have endeavored in my private and public life to foster a public sentiment for the observance and enforcement of our State and National prohibition laws.

I voted to submit the eighteenth amendment to the determination of the voters of the several States, and after its submission favored ratification by our State. It was my confident hope that it would grow in public favor and that its resultant benefits to the spiritual, social, and economic life of our people would insure for it widespread and national support.

Frankness forces me to say that my hope of such national support has not been realized, but, on the contrary, a widespread national sentiment against the retention of the eighteenth amendment has steadily grown and for some time prior to June 1932 it had become so pronounced as to be reflected in resolutions strongly urging repeal, adopted by many representative national organizations, including the American Legion, the American Federation of Labor, and the American Bar Association.

The repeal plank in the platform of our party at its last national convention was responsive to this sentiment so dominant throughout the Nation. I respectfully submit that it harmonizes with the Jeffersonian doctrine of State rights and with the basic fundamental of democracy that ours is a Government of, for, and by the people.

Now, in conclusion I wish to appeal to the people of my district to give full and hearty support to our party and its great President on July 18 next, just as they did in November last. I concede the absolute sincerity and honesty of conviction of those prohibition friends whose views may not be in accord with those herein expressed by me, but it is my firm conviction, after a careful survey of all the facts, that the cause of temperance will be substantially advanced by returning to the sovereign States the control of the liquor traffic within their own boundaries and guaranteeing full Federal aid to prevent the importation of alcoholic beverages into any State contrary to its laws, as the pending amendment does. My belief is that all States will immediately pass strict regulatory measures and restrictions where liquors are permitted to be sold and that eventually many States now without any enforcement or regulatory statutes whatever will return to the prohibition fold with a strong sustaining public opinion for the strict enforcement of State laws.

The representatives from Alabama, in both House and Senate, favored the submission of the pending repeal amendment, and, without consulting them, I venture to assert that none of them will say to his constituents that it is wise or advisable to longer retain the eighteenth amendment in the Federal Constitution.

It has been said that those who favor repeal seek a return of saloons. This may be true of some, but I am sure it is not true of many. Certainly no one will claim that the many prohibitionists of Alabama who will vote for repeal favor the return of saloons, but, on the contrary, I am confident they stand ready to oppose any such effort.

The repeal of the eighteenth amendment will leave unimpaired Alabama's prohibition laws and will simply clothe the people of Alabama with full power to solve the problem as may to them be deemed best, and in their own way. There can be no return of saloons in our State unless our people so decide. I do not fear such a development and I am willing to trust the sovereign voters of the State to safeguard us against the evils of the liquor traffic, and I personally favor the retention of our present prohibition laws.

Alabama, I respectfully submit, should no longer insist on retaining the eighteenth amendment in the Constitution, contrary to the undisputed and undeniable attitude of the American people. To do so can only serve to arouse intense bitterness and dissensions that may seriously hamper the effectiveness of the support and cooperation which, I believe, our people earnestly desire to extend to our President in this critical hour of our country's history. The greatest asset to recovery from our economic ills is to continue our implicit confidence and faith in the integrity and high purposes of our President.

With kind personal regards and best wishes, I am,

Sincerely yours,

W. B. OLIVER.

THE HAWLEY-SMOOT TARIFF ACT MATERIALLY CONTRIBUTED TO THE IMPOVERISHMENT OF AMERICAN AGRICULTURE BY DESTROYING THE FOREIGN AND DOMESTIC MARKETS FOR OUR SURPLUS AGRICULTURAL PRODUCTS

Mr. LOZIER. Mr. Speaker, when the Hawley-Smoot tariff bill was pending, I repeatedly protested against its excessive and unconscionable rates, and contended that its enactment would provoke other nations and cause them to enact retaliatory tariff laws which would destroy the foreign market for the products of our farms, factories, mills, and mines. I pointed out that the productivity of the American people had increased so tremendously that we must have a foreign market to absorb our surplus products, otherwise we would be compelled to market our commodities far below the cost of production, which would inevitably end in the impoverishment of our people.

When the high priests of the Republican Party were railroading the Hawley-Smoot bill through the House, I presented official statistics showing the magnitude and value of our foreign trade. I showed that without a foreign market for our surplus agricultural and industrial products the American farmers and American manufacturers would be compelled to reduce production below a profitable level, which would mean a nonutilization of our tremendous resources and halt our hitherto resistless march toward financial and economic world power.

I told my Republican friends that we had no copyright, patent, or monopoly on high tariff laws and that other

nations could very easily retaliate and impose such high tariffs against our products that we would no longer be able to ship them abroad, which would mean a very substantial impairment of our national income and national wealth. But in violation of their platform pledges and disregard of the campaign promises of Mr. Hoover, the Republican Party proceeded to enact the highest tariff schedules in the history of our Nation.

Although the Republican leaders and Members of Congress eloquently argued that the passage of the Hawley-Smoot tariff bill would not irritate other nations or provoke them to enact retaliatory tariff legislation, nevertheless in a few months after the passage of the Hawley-Smoot bill more than 40 great nations had raised their tariff schedules and made their tariffs against American products so high that the foreign market for our surplus commodities was not only made unprofitable but practically destroyed. Republican leaders in and out of Congress boldly asserted that within 60 or 90 days after the enactment of the Hawley-Smoot Tariff Law good times would return and we would be flooded with prosperity. Everyone, including these Republican leaders, now knows, how empty, idle, and worthless those prophesies were.

The Hawley-Smoot tariff bill not only destroyed our foreign market for products of our farms, factories, and mills but it contributed materially to the impoverishment of practically every vocational group, including the manufacturers. Under the pernicious influence of this legislation the market price of farm commodities fell to the lowest level in history, our railroad systems were paralyzed, our factories idle, commerce at a standstill, business unprofitable, and the myriad millions of our citizenry either in or on the brink of the bottomless pit of disaster.

When the Hawley-Smoot tariff bill was pending, more than 1,000 outstanding economists connected with practically every one of our great universities protested against the high tariff rates and appealed to Mr. Hoover to veto the measure. These men were not politicians but economists and profound students of government, and most of them were Republicans. But the scholarship of America counted for nothing when the industrial lords were clamoring for increased bounties.

Far-seeing business men warned President Hoover against this bill, which they said would destroy our foreign market and ultimately destroy our domestic industries. In answer to the argument that the Hawley-Smoot tariff bill would revive industry and cure unemployment Henry Ford said:

> I say it will have precisely the reverse effect. It will stultify business and industry and increase unemployment. When you prevent your customers from purchasing your goods, you are absolutely throwing men out of work. I know something about employment, and I say that this tariff reduces the number of American jobs.

Ever since the Hawley-Smoot bill was enacted practically all great foreign nations have raised their tariff walls so high that American farm and industrial products are practically excluded from these foreign markets, where they had previously sold at a profit to the American agriculturist. For instance, the tariff on wheat in most of the European countries will average $1 per bushel, or four times the farm price of wheat in the United States during the lowest stage of the Hoover depression.

The French Parliament is now considering a radical price-fixing wheat bill, an essential feature of which establishes the minimum price of wheat at 115 francs a metric quintal, which at the present exchange rate is approximately $1.54 per bushel, as a quintal contains 3⅗ bushels. The mimimum price of 115 francs a quintal is to increase 1 franc per quintal on the first of each month until and including June 1934, by which time the price will have reached 125 francs a quintal, or $1.73 a bushel, at the current rate of exchange. The funds to sustain this price-fixing program are to be provided by a progressive tax on grinding. To supplement the agricultural-credit fund already accumulated, amounting to 200,000,000 francs, the bill provides for an additional 400,000,000 francs, or a total of approximately $28,000,000, to insure the operation of the plan, including the subsidy to exporters.

As a direct and inescapable result of this legislation no wheat will be imported into France for at least a year, as without an embargo against foreign wheat France could not maintain the domestic price of wheat at more than double the level of the world price. For some time there have been no importations of wheat into France because foreign wheat cannot leap the French tariff wall already so high as to be prohibitive, and for the further reason that there is a law in France requiring the use of 100 percent domestic wheat in flour.

The French Government is trying to reach the same objective as that for which President Roosevelt is striving, namely, the stabilization of the price of wheat on a higher level, although conditions differ greatly in the two countries. The French Government is taking this stabilization step as a result of long study and agitation, and because of the heavy crop last year from which there is a large carry-over.

When the price of wheat in France began to decline as a result of last year's heavy production, on complaint of the farmers the Government first paid a bonus to those who withheld their surplus wheat from the market, and then encouraged the use of wheat in making alcohol, but these measures were unavailing to prevent a sharp decline in prices, and the indications that this year's crop will be large caused a further sagging of the market.

At the present time the official price of wheat in France is about $1.14 a bushel, which does not return to the French peasant the cost of production. It is quite evident that the French Government has embarked on this price-stabilization program determined to maintain wheat prices on a level that will yield the growers a fair profit over and above production costs.

The bill which will undoubtedly be enacted will have the following effects:

First. Foreign wheat imports into France would be prohibited.

Second. A bonus of approximately a dollar a bushel on wheat is granted to French exporters, which anywhere in the world will permit French wheat to undersell wheat from any other country.

Third. The bill fixes the legal price of wheat in France at 115 francs a quintal, which at the fluctuating rates of exchange will be from $1.33 to $1.54 per bushel. The bill provides that anyone selling or buying wheat under the fixed price is liable to prosecution, and anyone holding as much as 33 bushels of wheat flour must declare whether it is domestic or foreign. The bill also contains drastic regulations on crops and sowings.

The action of France in closing her markets to our agricultural products is not different from that of other European nations that have been irritated and outraged by our high tariff laws and who are giving us "a dose of our own medicine" in the form of retaliatory tariff laws.

I am wondering if the American farmers know that for several years the price of wheat has been by law artificially fixed and maintained with a reasonable degree of success in several European nations. I am not ignorant of the so-called "inexorable law of supply and demand", under the cover of which many plausible fallacies and much false propaganda flourish. While recognizing the law of supply and demand, I nevertheless assert what is a self-evident truth, that in the United States and in every one of the States there are numerous laws which directly or indirectly neutralize, and at times render impotent and ineffective, the much misunderstood law of supply and demand.

Our entire industrial structure is built on a system of high tariff laws that tremendously weakens and often destroys the law of supply and demand. We have statutes that set at naught the law of supply and demand with reference to railroad passenger and freight rates. We have laws that destroy the law of supply and demand with reference to telephone, electric lights, gas, and water rates. We have numerous statutes that protect public-utility companies from the law of supply and demand. The law of supply and

demand is quite elastic, is easily manipulated, and often entirely neutralized by Federal and State statutes. It is a garment that special privilege puts on and off at pleasure. For instance, the Interstate Commerce Commission and all public-service boards and commissions are created for the express purpose of neutralizing, artificially controlling, and often for the purpose of destroying the so-called "ruthless law of supply and demand."

I am wondering how long the American farmers will continue to be hewers of wood and drawers of water; how long they will tolerate a tariff system that destroys the market for their surplus products, reduces their purchasing power to the vanishing point, and which is relentlessly driving them to a state of peasantry. Industry has always been the favorite and spoiled child of Uncle Sam. Agriculture has produced a larger proportion of our national wealth than has come from any other vocational group, but by legislative favoritism, special-privilege laws, and class legislation other occupations have been unjustly favored and enriched, while agriculture has been denied equal opportunity with industry and has been driven from the council table around which the political and economic policies of the Nation are formulated.

Before the farmer can come into his own the market price of his commodities must be stabilized on a higher level, so as to yield him not only the cost of production but a fair profit over and above production costs. His purchasing power must be very substantially increased, and the spread between what he gets for his commodities and the price he pays for his supplies must be materially reduced so the farmer may be able to balance his budget and live in the comfort to which he is entitled by reason of his unremitting industry and contribution to our social order, civic progress, and the stabilization of our civilization. Moreover, the farmer's mortgages must be refinanced over a long term of years, and at a low rate of interest, and his National, State, and local taxes must be radically reduced. Unless these objectives can be obtained the future of the American farmer is without hope.

The Democratic Party for 150 years has been the aggressive and consistent friend of agriculture, and when the present Democratic national administration was inaugurated probably the most important of the many outstanding policies of the administration were those having for their object the immediate and permanent rehabilitation of agriculture. I am convinced that under the leadership of the Democratic Party Roosevelt will revitalize this great basic industry and restore it to its rightful place among the profitable occupations. If agriculture is reduced to a state of peasantry, our scheme of government will fail and our civilization perish.

THE EXTRA SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. McCLINTIC. Mr. Speaker, when President Roosevelt called into extra session the Seventy-third Congress the citizens of the United States were experiencing the most serious situation that had ever confronted any nation. Our banks were practically all closed; industry had reached its lowest ebb, and there were more people out of employment than ever before. It was absolutely necessary that something be done at once or this Nation might have undergone such a change as to have produced a Hitler or a Mussolini, in order to break the strangle hold that big business had obtained because of special favors received at the hands of administrations in the past.

President Roosevelt submitted a program which consisted of farm relief, reforestation, emergency gold control, Tennessee Valley development, reorganization of railroads, emergency bank control—including guaranty of deposits, home-mortgage refinancing, public works, and industrial control, and the reorganization of various bureaus of the Government to bring about economy. Never before in the past has legislation been enacted into law so fast. In other words, something had to be done immediately or there would have been a financial collapse such as would have paralyzed industry and had a disastrous effect on every citizen. I am proud to have had a small part in cooperating with our beloved President and feel that he is entitled to the congratulations of every citizen in the Nation.

During my tenure in office never at any time has a deaf ear been turned to any veteran of any war, but, on the other hand, I have sponsored the cause of every individual who has this status, and no one can truthfully say that any act of mine has been detrimental to the wishes of those who volunteered or were taken into the service for the purpose of defending our country.

Recently my attention has been called to an affidavit made by a man by the name of William M. Siegers, who resides at Amarillo, Tex., and who claims to have had an interview with me. This affidavit originated at Clinton, Okla. It appears to be a deliberate frame-up on the part of those who have opposed me in the past. It will probably be circulated by someone who is an enemy of the ex-service men. The statements contained in the same cannot be corroborated by any other person in the United States or in any letter that was ever written from my office, and this attempt on the part of designing politicians only goes to show what cheap efforts will be taken by individuals when they go outside of the State to get someone to make an affidavit who admits that he was gassed, and if such is the case his mind was probably affected to the extent that he could be used as a cat's-paw for others and be made to sign a statement that is absolutely false. In fact, I do not have any recollection of ever talking to any such person, and no one in my office even remembers him.

There are thousands of ex-service men, fathers and mothers, widows and orphans, who have been directly interested in benefits which have been secured for them by me who will resent any such method that may be used by those who are responsible for this act, and all I ask is that the records speak for themselves.

I am grateful to the fine citizenship of the Seventh Congressional District for the loyal way they have cooperated with me in the past. I am proud of the confidence that has been bestowed upon me by my colleagues in Congress, and I am highly gratified that it has been my pleasure to stand with our great President, whose record will always mark him as a humanitarian of the highest order.

THE ACCOMPLISHMENTS OF THE SPECIAL SESSION OF THE SEVENTY-THIRD CONGRESS—THE MOST MOMENTOUS AND UNUSUAL PEACE TIME SESSION IN THE HISTORY OF ALL CONGRESSES

Mr. BYRNS. Mr. Speaker, the special session of the Seventy-third Congress came to a close in the early morning hours of June 16. Never before in history had one short session of Congress accomplished more—never had a legislative body been faced with more momentous problems to untangle, and never had a Congress more splendidly met their duty to their country, their President, and their people. The far-reaching effect of the major measures enacted at this session cannot be realized for many months, but there can be no question of the statement that the lives and fortunes of every individual in this Nation will be touched and the course of many changed.

In the short space of 3½ months it enacted 12 major constructive measures and passed legislation which enabled the President, by bringing about economies in governmental expenditures, to balance the Budget for the first time in several years. It was indeed a remarkable feat to so quickly wipe out the deficit which has occurred for the past 3 years and which aggregated over $5,000,000,000. All of these laws were recommended by the great leader in the White House and passed by Congress with the object of restoring the purchasing power of the people, reviving industry, business, and agriculture, and putting the millions of unemployed back to work and giving relief to those who needed it.

It was manifest that a return to prosperity could not be brought about by the old methods—a "new deal" was necessary, and the President so declared in his preelection campaign. When Mr. Roosevelt was inaugurated President on March 4 a national bank holiday had been declared in many States of the Union. In fact, nearly every bank had either closed its doors or was on the verge of doing so. Business

and industry was at its lowest ebb since the beginning of the economic depression. Agriculture was in the depths of despair. Millions of idle men and women were walking the streets in increasing numbers looking for jobs. The people had lost confidence in the ability of their Government to bring about a recovery. Economic chaos threatened the country to a more alarming extent than in the darkest days of the preceding years. The Government seemed powerless to relieve the situation. A "new deal" was not only required but a leader of courage and quick decision was needed to put it into effect and to inspire that confidence in the people which was essential to recovery. Such a leader appeared in President Roosevelt. His short inaugural address was an inspiration and served as a clarion call to the people of all parties to rally together and shake off the depression which was holding our country in its grasp. In that address he declared:

So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed effort to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

The American people responded immediately. Hope and courage replaced despair and fear. There was an instant rebirth of confidence and the Nation turned its eyes toward their new leader in whom they placed their faith. Congress was at once called into extra session and recommendations for changes in our banking laws were made and enacted into law, giving relief in the existing national emergency in banking. Within a few days all sound banks were reopened and the "unreasoning" fear of a bank debacle was dissipated by prompt and courageous action.

This was followed by other recommendations looking to the relief of the country, all of which were enacted into law. I dare say that there is no other instance in history where a President has made so many recommendations and all of them so quickly enacted without one single exception.

And I would not fail to pay tribute to the fine spirit of cooperation of the Republican minority which joined the Democratic majority in placing the stamp of approval on nearly all of these measures. I wish to give the full meed of praise to every Member of Congress who joined in the support of the President in his effort to relieve conditions which were in many respects even worse than those of war times.

Commenting the other day on the work of the special session of the Seventy-third Congress and of the achievements of the Roosevelt administration up to that time, a prominent Washington newspaper writer, in a leading independent daily said that—

A check at the end of the first phase of the Roosevelt administration reveals that most of the major Democratic Party platform pledges have been started on the way to fulfillment.

This—

He added—

is one of the most exceptional feats in modern politics. First, because of the rapid-fire speed with which it has been done and, second, because it is a real novelty to have such a thing happen at all, since politicians generally have regarded platforms as being made to run on and not to stand on.

The writer went on to show that a "check on the fate of Democratic platform pledges adopted a year ago at the Chicago convention" shows action has been taken toward execution of promises in the following:

First. Government economy.
Second. Balancing the Budget.
Third. Reduction of tariffs by negotiation.
Fourth. Unemployment relief and reemployment.
Fifth. Farm and mortgage relief.
Sixth. Water-power development in the public interest.
Seventh. Securities control.
Eighth. Correction of banking weaknesses.
Ninth. Pursuance of a foreign policy which would include a pledge to consult with other nations in carrying out the Kellogg Anti-war Pact.
Tenth. Repeal of prohibition and modification of the Volstead Act.

Although the administration was only 100 days old, it was remarked that of all the pledges made by the Democratic Party in its national platform adopted at Chicago, action had not as yet been taken with respect to but two—regulation of holding companies, interstate utility rates, and commodity and stock exchanges for one, and the strengthening of the Corrupt Practices Act for the other.

Truly this is a remarkable record. It is therefore with a feeling of pride in my party, pride in its chosen leader, President Roosevelt, pride in its majority in this Congress, that I bring into review for consideration the events and the accomplishments of the administration of President Roosevelt and of the Democratic majority in the special session of the Seventy-third Congress.

I truly hope that this country will never again be faced with a situation so grave as that with which it was confronted when the present Democratic administration came into complete control of the Government with the inauguration of President Roosevelt on March 4 last. The events of the last several weeks preceding that inauguration are too fresh in your memories to be recalled here; the picture of the distress, the doubts, and the fears and dangers which then existed are too vivid ever to be forgotten.

Never in the peace-time history of the American Republic did the Nation face a situation so grave, and I doubt if it is any exaggeration to say that not even in any war emergency which we as a people have ever faced was there a time when the peril to our institutions and to our well-being was as great. More than 10,000,000 of men and women were, through no fault of their own, out of employment, and no work was to be found anywhere. Industry was paralyzed, credit was destroyed, agriculture was at the very brink of bankruptcy, and millions of citizens, on the farms, in the villages, and towns and in the cities, were threatened with the loss of everything they had saved through a lifetime of toil and struggle. As I have said, banks were failing at such a rapid rate that in a score of States bank holidays had been declared. Money had either gone into hiding or was locked up in bank vaults, credit had been destroyed, and in many communities the old-fashioned custom of trade and barter of a century and a half ago had been revived in order that people might obtain the bare necessities of bodily comfort—food, clothing, and fuel.

This was the situation when President Roosevelt assumed the guidance of our national destiny at noon on that fateful 4th day of March. A nation, indeed the whole world, stood by to listen to his inaugural address, to hear what of comfort or of hope he could hold out to a stricken people in their hour of peril.

I have referred to the promises which were contained in the Democratic Party's platform of 1932. It was the shortest, clearest, and most unequivocal declaration of principles and pledges ever written by the national convention of any great political party. Although the Democratic administration is as yet only 100 days old, practically every pledge of that platform has been kept, and the country now knows that there is at least one party which believes that pledges are sacred and must be kept.

As that platform was short and to the point, so was the inaugural address of the President brief and specific. It fell upon the ear of a waiting world as a message of hope. None who heard his ringing pledge to service could fail to be cheered. It was clear that as in the days of Jackson and Wilson, another great crisis had developed another great leader; that a firm hand, a great mind, and a devoted heart were united in the person of the man who had come into the most powerful and the most important position in all the world.

President Roosevelt's first Executive order, effective on Monday, March 6, the first working day of the new administration, declared a banking holiday to meet the financial crisis which had settled upon the country, sweeping thousands of banks into insolvency and wiping out the savings of millions of depositors and stockholders. This order was

intended to stop the runs on banking institutions and to save those which were yet solvent. He at the same time declared an embargo on gold exports for the period of the bank holiday.

Not only did these orders accomplish the purpose for which they were intended but they did far more. They did much to restore public confidence. They stopped runs on the banks, so that when the period of the banking holiday had expired every bank that was solvent was enabled to reopen and confidence in it was reestablished.

On the same day on which he declared the banking holiday the President issued a call for Congress to meet in special session on March 9. When this body had convened, with its large Democratic majorities in both Senate and House, the President sent to it, and it enacted that day, the first of the series of legislative enactments which have restored public confidence, have started the wheels of industry revolving again, have stimulated trade, started commodity prices upward, and have, in short, caused confidence to displace doubt, hope to succeed despair, and have set at work constructive instead of destructive forces, until today the American people are again facing the future with courage, with pride, and with confidence.

In quick succession the President transmitted to Congress recommendations for the enactment of the various measures which have subsequently been passed and are now law, such as the Economy Act, the Farm Credits Act, bills for the relief of the unemployed and for reemployment, the Railroad Act, and other measures, all units in a great planned program of reconstruction and rehabilitation, which I shall enumerate in somewhat more detail a little further along.

No darker picture ever met the view of the American people than that upon which they were compelled to look during the closing days of the last administration With what relief, with what new hope and confidence, we view the altered picture of today. Let me give you just a few facts and figures. We all know, and have long known, that agriculture is the basic industry of our country. If it is prosperous, other industry prospers and the people are busy and happy. The farmer cannot be prosperous until he obtains a decent return for his labor. That he cannot obtain until he is paid a price for his products which will give him a fair margin above his cost of production. Although the Roosevelt administration is only 100 days old, and the Democratic Party's reconstruction program is not yet entirely in operation, there has been a sharp upward curve in the price of farm products, and there is reason to believe that on this year's crops the American farmer will realize a profit for the first time in many, many years. Increases in the price of wheat and cotton, two of our greatest staples, furnish evidence of the truth of what I have said.

On March 3 last hard winter wheat sold at Kansas City for as little as 44.4 cents per bushel. On June 10 last the same wheat sold on the same market for 73.4 cents per bushel, an increase of 66 percent.

On March 3 last the average price of spot middling cotton on nine principal exchanges in the United States was 6.06 cents, while on June 10 last it sold on the same exchanges at an average price of 9.13 cents per pound, an increase of 3.07 cents per pound, or of 50 percent. The figures I have quoted are from the Department of Agriculture.

It has been said that under present conditions the American farmer can be prosperous and happy with dollar wheat and 10-cent cotton. Dollar wheat is in sight and 10-cent cotton is almost at hand.

Increased prices, which make for increased values, are being quoted on every hand, and, with few exceptions, these increases are finding their way in part into the pockets of the workingman. Where during the last 3 or 4 years reduced wages and vanishing dividends have been the rule, we now see daily in the public press announcements of workers returning to the mills, of increases in wages, and it is no longer too much to expect that the day of regular and substantial dividends for the investor is not remotely in the future.

That there is confidence that such a day will soon again be at hand we may see in the rising value of securities listed on the country's trading exchanges.

The average value of stock securities listed on the New York exchange rose from 52 to 92 between March 4 and June 10.

The average value of bonds listed on the same exchange rose between the same dates from 74 to 84½.

Between those same dates the level of commodity prices on the produce exchanges rose from 85 points to 120, an increase of 35 points, or more than 40 percent.

Also the return of confidence in the country's financial institutions is reflected in the average price of the stocks of banks and trust companies listed on the New York counter market, that increase having approximated 50 percent between March 4 and June 10.

Certainly these figures reflect a restoration of confidence, the dawn of hope in the future of our country and the return of prosperity to its people. Certainly, too, it reflects the faith of the people in a Democratic administration which, in this short time, has achieved this record, unsurpassed in the entire history of the country.

Let me now call your attention item by item to the series of legislative achievements of the present administration and of the special session of the Democratic Seventy-third Congress which go to make up this marvelous record.

INDUSTRIAL RECOVERY AND PUBLIC WORKS

The purposes of this act are, as defined by President Roosevelt: (1) To obtain wide reemployment; (2) to shorten the working week; (3) to pay decent wages for the shorter week; (4) to prevent unfair competition; and (5) to prevent disastrous overproduction.

This act repeals for 1 year those sections of the antitrust laws which forbid trade agreements, looking to the stabilization of wages, of prices, and of working conditions. It establishes a Federal license system to enforce agreements against recalcitrant units, and empowers the President to regulate production and stabilize industry.

The purpose underlying this act is to have industry regulate itself, through trade associations which industry will set up, the Government to deal with each industry through the association organized within itself. To some extent the antitrust laws are suspended, but price fixing is prohibited, although industry may control production. In short, it is, in the language of the President, "A great cooperative movement throughout all industry" to bring about wide reemployment, a shorter working week, with decent wages, the prevention of unfair competition and of disastrous overproduction.

This measure, which the President preferred to define as a "partnership with industry" rather than the control of industry, provides for a bond issue of $3,300,000,000 to be retired at the rate of $220,000,000 annually. It is estimated that this program will put at least 3,000,000 men back to work at a time when the need for employment is greatest.

Proceeds of the bonds to be sold under authority of the Recovery Act may be expended for highway construction, public buildings, conservation and development of natural resources, the utilization and purification of water, development of water power, transmission of electrical energy, for river and harbor improvements where they are found to be justified, for low-cost housing and slum-clearing projects—in short, for any public or semipublic enterprise found to be constructive and worthy and which the President may approve. Among other things, the bill provides for the expenditure of $400,000,000 for highway construction.

For the protection of labor it is provided that in the various States contracts involving the expenditure of funds obtained from the Federal Treasury shall contain provisions establishing rates of wages to be predetermined by the proper State authorities; that this protection shall be accorded both skilled and unskilled labor; and that in the invitation for bids on such contracts the rates of wages shall be stated so as to be included in the contract biddings.

Operations of the Industrial Recovery Act are limited to 2 years, but may be terminated sooner if the emergency passes.

UNEMPLOYMENT

The first attack on the unemployment problem came before the Roosevelt administration had been in power 3 weeks. On March 21, the President sent to Congress the reforestation bill, which was promptly enacted by Congress, and under which 250,000 young men are being put to work at reforestation camps. Subsequently, the President issued an order under which 25,000 eligible young men from the ranks of former service men are to be included in the reforestation army, known as the "Civilian Conservation Corps." Members of this corps receive $30 per month, with food, shelter, clothing, and medical attendance, with certain provision for pay increases for those most meritorious.

As they are drawn largely from the towns and cities, employment of these men in a valuable work relieves such communities of their support at a time when there is a very heavy strain upon the resources of the various charitable agencies, both private and public. A fund of $200,000,000 to meet the expense of the reforestation work was obtained out of an unexpended balance in the Treasury appropriated for public works, and thus this reforestation program does not require additional taxation.

In addition, the Congress passed an act authorizing outright grants of $500,000,000 to the respective States, the money to be expended by the States in relieving the hardship and suffering caused by unemployment.

Also, the Congress passed the Wagner unemployment agency bill, providing for the establishment of Federal employment agencies in industrial communities in cooperation with the States and authorizing appropriations therefor until 1938. This act was passed during the last administration, but was vetoed by President Hoover.

AGRICULTURE

Enactment of emergency legislation under which the President has set up the Farm Credit Administration. By Executive order the President had consolidated the activities of the Federal Farm Board and the various other boards and bureaus set up by preceding administrations in their futile efforts to deal with the farm crisis and save the agricultural industry from bankruptcy.

Under this legislation authority is conferred upon the President to expand credits, stimulate the price of farm products, increase the currency in circulation, and take such other steps as the Chief Executive and his advisers may deem necessary to restore agriculture to a basis of prosperity and end the orgy of bankruptcies which have swept away the homes and other property of literally millions of farm families. The sum of $200,000,000 is provided for additional farm credits, and even more far-reaching in its effect will be the authorization of the issuance of $2,000,000,000 in bonds with which farm mortgages may be refinanced at the low interest rate to the farm owner of 4½ percent. Thus the farmer who has been burdened under mortgage interest rates of 6 and 7 percent, and sometimes even higher rates, will be able to refinance his mortgage at 4½ percent and is given 15 years during which to amortize the mortgage. Under the authority conferred upon the President the duties of the various existing agencies, such as the Federal Farm Board, the Farm Loan Board of the Treasury Department, the Crop Loan Bureau of the Department of Agriculture, the Regional Agricultural Credit Corporation, and others were transferred, and all authority to deal with the farm-credit problem centralized in the Farm Credit Administration.

In the program of farm legislation Congress provided for the establishment and maintenance of such balance between the production and consumption of agricultural commodities as it is hoped will reestablish prices paid to farmers so that their agricultural commodities will have a purchasing power equivalent to that which they enjoyed before the war. Authority is given to the Secretary of Agriculture to bring about reduced production to increase farm commodity prices and to negotiate marketing agreements with processors and handlers of agricultural commodities to accomplish the purposes of the legislation.

MUSCLE SHOALS

After more than 12 years of enormous waste under Republican administrations, during which time many millions of dollars worth of water power has gone over the great Muscle Shoals Dam with neither the Government nor the American public receiving any benefits therefrom, the Congress, under the leadership of President Roosevelt and Senator Norris, passed the Tennessee Valley Authority Act. Under this act a board of three members has been appointed to put the great Muscle Shoals property and Tennessee River to work for the people. By the development of Muscle Shoals and the construction of the Cove Creek Dam, not only will agriculture be served but flood control in the Tennessee and Mississippi Valleys will be furthered, navigation will be encouraged, and power developed and conserved. It will open additional avenues for a large number of workers and lead to the industrial development of a section of our country rivaling the Ruhr Basin of Germany in its richness.

In addition, this great property, whose development was begun by another Democratic President, Woodrow Wilson, will be kept in the control of the people in stand-by condition for use in case of war emergency. It will produce fertilizer to the end that the farmer's fertilizer bill will be reduced; and it will mark a long forward step in flood control, thereby helping to remove from the lives of thousands of citizens and of hundreds of millions of dollars worth of property the annual menace from the recurring floods which in the past have claimed an enormous toll in human life and property damage. It will also open the Tennessee River to navigation the year round and contribute enormously to the development of the immensely valuable natural resources in the Tennessee River Basin. Moreover, development of water power at Muscle Shoals will set up a yardstick for the determination of fair and reasonable rates for electric energy, bringing cheaper power to consumers throughout the entire country, and mark the dawn of a new day of electrification, rural as well as urban. This development will contribute materially to the accomplishment of the great Nation-wide program of conservation for which the Democratic Party has long stood, to the end that the country's vast natural resources may be saved to the people rather than be conferred as special privileges upon monopolistic selfish interests for the serving of special ends at the expense of the people.

MONEY AND BANKING

Enactment of emergency banking legislation, passed March 9—the first day of the special session of Congress—under which approximately 14,500 banks were reopened after the bank-panic holiday. Control over currency passed to the President under the inflation sections of the Farm Act; the gold clause was outlawed in public and private contracts and the President authorized to fix gold and silver coinage ratio. The Glass-Steagall banking bill passed in the closing days of the session has been declared the greatest piece of banking legislation since the passage of the Federal Reserve Act in the first administration of President Wilson. This legislation amends the Federal Reserve Act by empowering the Federal Reserve Board to suspend banks from the use of credit facilities of the Federal Reserve banks for the speculative carrying of or trading in securities, or other purposes not consistent with the maintenance of sound credit conditions; it makes Morris plan and other industrial loan banks eligible for membership in the Federal Reserve System; it provides for the divorcement of member banks from security affiliates to prevent speculation with depositors' money; it makes provision for the prompt liquidation of closed banks, for the relief of depositors, and sets up a corporation to insure bank deposits within certain limitations in order to safeguard the depositors and prevent further such terrific losses as have occurred to depositors during recent years through the failure of many thousands of banking institutions. A Democratic Congress in the administration of Woodrow Wilson enacted the Federal Reserve Act, admitted by all classes to be one of the most constructive banking measures passed for over half a century. The recent session under the leadership of President Roosevelt enacted the Glass-Steagall banking bill, which I

have said is declared to be the greatest piece of banking legislation since the passage of the Federal Reserve Act. This is a complete answer to the challenge which has been so continuously made that the Democratic Party cannot be safely entrusted with the business affairs of the Nation.

SECURITIES ACT

This act provides for Federal supervision, through the Federal Trade Commission, of interstate traffic in investment securities, and is designed to protect the American public against further flotation of securities of doubtful value, the sale of which in recent years has cost the public many billions of dollars. The act requires that the fullest possible information concerning security issues it is proposed to market shall be filed under oath with the Federal Trade Commission, so that the prospective investor may have accurate and reliable knowledge of the business and properties on which the securities are based. Severe penalties are imposed for failure to comply with the provisions of this act.

HOME MORTGAGES

Under the bill for the relief of home owners, persons whose homes are threatened with mortgage foreclosure may on homes with an assessed valuation up to $20,000 refinance their mortgages at an interest rate of 5 percent, and may have 15 years in which to pay off the mortgage. Through this legislation it is expected that not only will millions of families be able to save their homes, but that a more considerate policy on the part of private mortgage holders will be forced.

ECONOMY

As a result of the passage of the Economy Act and through the reorganization of the various departments and bureaus of the Government, to eliminate waste, duplication of effort, and to abolish unnecessary Federal activities, it is estimated that the cost of the Federal Government will be reduced $1,000,000,000 during the next fiscal year. This is about 25 percent of the total cost of the Federal Government and therefore is in strict fulfillment of the pledge contained in the Democratic platform adopted at Chicago last year to reduce the cost of the National Government by one fourth.

Government salaries have been reduced by 15 percent, and as a result all the economies which have been provided for, and with the additional revenue expected to be brought into the Treasury, it is expected that the Federal Budget will be substantially balanced during the next fiscal year, thus contributing to the restoration of public confidence and to economic recovery. At the last session of the Seventy-second Congress appropriations made for the ordinary operations of the Government for the fiscal year 1934 amounted to $4,358,879,635.98, which was $1,323,188,585.97 less than the appropriations made at the previous session, which amounted to $5,682,068,221.95. For this reduction a Democratic appropriations committee and a Democratic House can justly claim the chief credit. Included in the total appropriations made at the closing session of the Seventy-second Congress were amounts appropriated for the District of Columbia for 1934, viz: $36,291,647 and $1,003,314,981, which was carried for independent offices for the same fiscal year. These two bills failed of passage and were reenacted at this special session with a saving of $377,428,248. In the District of Columbia appropriation bill enacted at this special session $30,375,834 was carried, thereby effecting a saving of $5,915,813. The reenacted independent offices bill carried $631,802,546, a saving of $371,512,435.

In fact, since the Democratic Party organized the House at the beginning of the Seventy-second Congress, including that Congress and the special session, there has been a total reduction of appropriations for the ordinary operations of the Government amounting to $2,840,470,452.91.

REVENUES

The Industrial Recovery Act provides for $227,000,000 of new revenues. Of this $62,000,000 will be derived from the increase of one half cent on gasoline and $165,000,000 from changes in the income- and profits-tax sections of the Revenue Act of 1932, which includes a tax of 5 percent on stock dividends, estimated to yield $70,000,000. These amendments also transfer the power tax from the consumer to the producer. The tax on beer is estimated to yield a sum of not less than $125,000,000 to possibly $200,000,000 annually.

Congress has amended the Revenue Act of 1932 in two respects to prevent the escape of wealthy classes from the payment of income taxes, as was disclosed by the Senate committee's investigation into the J. P. Morgan partnership. Under the 1932 Revenue Act, private bankers were exempt from the provisions of that act with respect to deductions for short-term losses. This exemption has been removed and private bankers are now treated in this respect exactly like any private individual or corporation. The other amendment provides that no part of a loss disallowed to a partnership, because of the fact that it is sustained in connection with transactions in stocks and bonds covering a period of 2 years or less, shall be allowed as a deduction to an individual member of the partnership. These two amendments are expected to bring a good many millions of dollars in taxes, heretofore evaded, or avoided, into the Federal Treasury.

PROHIBITION

In keeping with the pledge made by the Democratic Party in its 1932 platform, this Congress modified the Volstead Act to permit the manufacture and sale of beer (in such States as legalize such manufacture and sale) having an alcoholic content of not to exceed 3.2. This is expected to bring revenue into the Federal Treasury of from $125,000,000 to $200,000,000 a year.

RAILROADS

The Railroad Act provides for railroad combinations and coordination, to link the systems together, enable them to use one another's terminals and like facilities, and to jointly adjust schedules and bring about savings to investors and lower rates to the shippers. Labor is protected against the loss of jobs. The office of coordinator is established; that officer to enforce the economies and adjustments contemplated in the act, with three regional assistant coordinators provided for.

TARIFF

In the Industrial Recovery Act, the President is authorized to adjust tariffs and impose embargoes to meet damaging foreign competition made possible through depreciated currencies.

EXTRAORDINARY MEASURES

Through the series of measures passed during the closing session of Congress vast extraordinary powers have been vested in the President to empower him to deal with the critical economic situation. He has been given the power to alter the gold content of the dollar; to remonetize silver; to suspend or alter, within limits, governmental contracts, including Federal salaries, pensions, and allotments, air and ocean mail subsidies; to regulate and coordinate industrial production and banking and railroad operations; to develop and operate Muscle Shoals; to allocate appropriations for public works; to reduce the first-class mail rates; to alter tariffs, levy quotas, and establish embargoes, with the advice of the United States Tariff Commission, and to regulate or prohibit the interstate shipment of oil produced in violation of State quota laws. This delegation of power was conferred to meet an acute emergency and is limited to a period of not more than 2 years.

In this remarkable achievement it has been necessary for everyone to make sacrifices as their share toward victory in the war being waged against depression. That these sacrifices will be cheerfully made I have no doubt, for the patriotic spirit of the Americans today is characteristic of that which they evidenced when war clouds enveloped our country.

This record abundantly justifies the continued confidence of the American people in a Democratic President and a Democratic Congress, in which every Member has played a necessary and important part.

When the weary Members of the Congress returned to their homes I am sure they met on every hand evidences of the confidence of the home people and received commenda-

tion from them for the service which they had rendered their districts, their State, and their Nation during the momentous session which has just come to an end.

May I say in conclusion that everyone should exhibit a spirit of optimism and confidence in the future which is justified by the present trend of events, and those who may seek, for any reason whatever, to lessen this spirit of optimism and confidence are not serving the best interests of their country.

LEGISLATIVE RECORD OF SEVENTY-THIRD CONGRESS

Mr. SNELL. Mr. Speaker, availing himself of his constitutional powers, President Roosevelt called an extraordinary session of the newly elected Seventy-third Congress to assemble March 9 this year. An even 100 days elapsed from the date of its assemblage to the date of its adjournment, June 16.

It was in every sense of the word an extraordinary session of Congress. No legislative body in the history of the United States ever wrought such profound changes in the laws and the Constitution.

It appropriated more money, levied more and heavier new taxes, and authorized a larger bond issuance, calling for heavier annual interest charges, than any other Congress in the history of the United States, with the single exception of the Congress in session during the World War.

In those 100 days the extraordinary session of the Democratic Congress appropriated, in round numbers, $4,400,000,000.

It continued in force the new special taxes the last Democratic Congress levied, amounting to $400,000,000. When those taxes were levied a year ago, the Democratic Congress characterized them as temporary, and the law provided they would expire as of June 30 this year. But this new Congress continued those taxes and added $220,000,000 more new taxes, making $620,000,000 additional new taxes to be paid by the American people during the coming fiscal year.

This Congress authorized the issuance of $8,560,000,000 in new Government bonds or securities. The Government disavows responsibility for the payment of the principal of $4,000,000,000 of this amount. This disavowal is carried in the acts of Congress which authorized their issuance. The Government does, however, agree to pay the interest. Of the remaining $4,500,000,000 the Government promises payment of interest and the redemption of the principal in whatever we may be using for money at the time the principal and interest become due. Assuming that these bonds may be floated at the same rate of interest as the most recent issue was floated, namely 2⅞ percent, this enormous bond issue will increase the annual interest charges of the Government in the sum of $244,662,500. With the issuance of these bonds, our interest-bearing public debt will exceed by $5,000,000,000 the peak of our public debt during the World War.

In view of this, what of the pledge of the Democratic Party to reduce expenditures of the Federal Government 25 percent and balance the Budget? It has gone to the realm of forgotten things; just another one of those Democratic campaign promises.

Instead of reducing the Federal expenditures 25 percent, the Democratic administration in 100 days more than doubled them.

When this Congress assembled it found the short session of the Seventy-second Congress, which closed March 4, had passed all but two of the regular appropriation bills providing funds to run the Government for the fiscal year beginning July 1 next. All the special session had to do to carry out the program of a 25 percent reduction in public expenditures was to pass the two appropriation bills which the previous Congress had not acted upon and start its program of economy. It did pass the two appropriation bills, carrying a total of $662,000,000. With the passage of these the work of providing funds for the regular expenditures of the Government for the fiscal year beginning next July was completed. But instead of setting about to save 25 percent of the appropriations made, this special session of Congress started on a spending spree. It passed additional appropriation bills carrying a total of $3,708,000,000, to take care of new agencies, new activities, new machinery demanded by the Democratic administration and created by the special session of the Democratic Congress. (See table A, at close of remarks.) One appropriation bill alone, passed on the last day of the special session of Congress, carried appropriations for these new activities in the sum of $3,608,915,000—which is $600,000,000 more than the entire cost of running the Government for the last fiscal year, not including the interest on the public debt and the sinking fund.

The Federal Budget has not been balanced. It is more out of balance than at any time in the history of the United States, with the single exception of 1 year during the World War.

There has been a persistent attempt upon the part of this administration to make the public believe the Budget has been balanced. It is doing this through the device of keeping two sets of books. One set is known as the "ordinary Budget." The other set is known as the "extraordinary Budget." The "ordinary Budget" consists purely of operating expenses. The "extraordinary Budget" consists of major expenditures, labeled "Emergency" or "Capital investments."

To illustrate: The average citizen, running his household in this manner, would charge up against his salary or wages his incidental day-by-day household expenses, such as food, clothing, gas, light, and fuel, and call it his "ordinary budget." But if he had doctor or hospital bills or some other unforeseen expense, he would label it "emergency" and put it in his "extraordinary budget." If he desired to purchase a motor car or household furniture or repair his property, he would borrow the money, charge it to "capital investment" and place it in his "extraordinary budget."

If, at the end of the year he had been able to meet his incidental expenses out of his salary or wages, he would claim that he had balanced his budget. He would take no account, insofar as his budget was concerned, of the money he had borrowed to buy his motor car or furniture or to repair his property.

That is a delightful way of fooling oneself until the day of reckoning is at hand. But the time comes quickly when the householder who runs his financial affairs in this manner appears in the bankruptcy court. The obligations which he has incurred must be paid, regardless of whether he classifies them as "ordinary" or "extraordinary."

So it is with this Government. Tricky bookkeeping, devised to conceal from the public the real financial condition of the Government, may succeed in its purpose for a brief time, but it does not pay off the debts. It does not stop the drain on the public credit. It does not stop the increase in interest charges. It does not halt the upward march of Federal taxes.

Heretofore there has been no deception regarding our Federal expenditures. Since the organization of this Government, under both parties, our methods of handling the public's money have been subject to no concealment. For example, appropriations for Federal aid in public highway construction were carried in the regular appropriation bill for the Department of Agriculture, because the Public Highway Bureau is an integral part of the Agricultural Department, and the Secretary of Agriculture is held responsible for its administration and for the proper expenditure of the Federal funds for public highway work. In like manner, and for like reasons, the public buildings appropriations appeared in the routine budget of the Treasury Department, new Navy construction was properly included in the regular appropriation bill for the Navy, and reclamation appropriations appeared in the routine appropriation bill of the Department of the Interior, and so on. By this method the people knew what their Government was costing them. If at the end of the year there was a deficit, they at least knew where and how that deficit had been created.

Under the "new deal" the Federal expenditures for public highway construction, public buildings, naval construction, reclamation, and other like expenditures are no longer found in the budgets of those departments that spend the money.

They are kept in another set of books. They are classified as "capital investments", and when the Budget is to be balanced these expenditures are completely ignored.

But bookkeeping or no bookkeeping, the $400,000,000 appropriation for public highway construction made by the special session of Congress just closed must be paid by the taxpayers. So, too, must the $247,000,000 of new construction for the Navy and the $50,000,000 authorized for work in reclamation, irrigation, and drainage projects, and the billions of dollars that are to be expended by the Treasury Department for public buildings. You cannot escape the sheriff and the debtors' court by the mental process of capitalizing your debts and calling them investments.

Had the Republican administration adopted this trick of Budget balancing by keeping two sets of books, the deficit of $903,000,000 for the fiscal year of 1931, which the Democrats in Congress characterized as "stupendous" and "staggering", would have been transformed into a handsome surplus of $360,000,000, and the Democratic Party would have been deprived of one of its principal campaign issues. The Republican administration spent the money and kept the account in only one set of books, which are always open to the public. It attempted no deception in order to lull the people into a false sense of financial security. That was old fashioned, according to economic standards set up by this administration. But it may be said in justification of those old-fashioned Republican methods that history records the unvarying story that double bookkeeping and juggled budgets have been the favorite tools of short-sighted politicians since the beginning of organized government—devices to deceive the taxpayers that inevitably resulted in bankrupt governments and economic and political uprisings.

The system of double bookkeeping has been carried by this administration into the matter of issuing Government bonds, which increases our interest-bearing public debt. The special session of Congress authorized the increase of our interest-bearing public debt by the stupendous sum of $8,560,000,000. As stated previously, the Government does not undertake to redeem $4,000,000,000 of these new bonds authorized by the acts refinancing farm and home mortgages, although it does guarantee the interest. The National Recovery Act made necessary the issuance of $3,300,000,000 of Government bonds in order to provide the money appropriated to carry out the provisions of that act. In addition to the above, the special session of Congress authorized the expenditure of $1,210,000,000 to carry out other activities inaugurated by this Democratic administration and directed that the money be obtained from the Reconstruction Finance Corporation. The Reconstruction Finance Corporation is financially merely the alter ego of the United States Treasury. It borrows no money anywhere except of the United States Treasury. The United States Treasury is its only creditor. Every time the Congress authorizes the Reconstruction Finance Corporation to make loans or advance money to any project and authorizes it to increase its outstanding obligations in that amount, insofar as the taxpayers of this country are concerned and insofar as the credit of the United States Government is concerned, it is merely issuing an order for the United States Treasury to increase our outstanding interest-bearing public debt by just that amount and turn the money over to the Reconstruction Finance Corporation, which, in the capacity of a middleman, passes it on as directed by the act of Congress.

Not only has this administration more than doubled the Federal expenditure, but it has prostituted the public service by stipulating in the legislation creating new activities and setting up new machinery that the Federal employees needed in those operations shall be political spoilsmen. Some conception may be had of the extent of this vast army of political spoilsmen now advancing on Washington when the Department of Agriculture estimates it will take 200,000 individuals to carry out the provisions of the domestic allotment law alone.

During its 100 days of existence, the Democratic Congress legally repudiated the gold standard, an act that was not found necessary during the dark days of the Civil War or during the period of financial stress during the World War. By reason of that action the United States Government, for the first time in its history, deliberately dishonored its pledges to those who had bought Government securities. This act of outright repudiation has set an example to other nations owing us money which is already bearing us costly fruit. It will operate to our financial loss and our national humiliation for generations to come.

As a corollary to this action, the Congress branded as a statutory criminal anyone who had accumulated savings out of his wages or income and held them in the form of what has been legal-tender money since this Government was first established 150 years ago.

This Congress put the Government directly into Federal ownership and operation of public utilities, and took a long, long step toward establishing Government ownership and operation of railroads and other transportation systems. It did this in the face of the miserable failure of Government operation of the railroads during the last Democratic administration.

This Congress set up the most elaborate system of bureaucratic dictation that has been known to the civilized world outside of Russia, and in some respects equal to that of Russia. This was done in the provisions of the Domestic Farm Allotment Act and the National Recovery Act. Under the provisions of those laws, Federal officials are empowered to put a Federal agent on every farm and in the office of every factory for the express purpose of dictating to agricultural and industrial producers conditions under which they must run their private affairs and imposing penalties of the law for disregard of bureaucratic orders.

In repudiation not only of the Democratic platform of 1932 but the Democratic platforms of the last half century, this Congress repealed the antitrust laws.

In some instances, in direct violation of the United States Constitution and in practically all instances in violation of the traditions and practices of this Republic, extending over a period of 150 years, this Congress gave to the President of the United States more power than was given to Lincoln to save the Nation or to Wilson to win the World War. It empowered him—

To increase or decrease the wages of every Government employee;

To close all the banks, or any bank, State or National, to keep them closed for any period he directs, and to fix the terms of their reopening;

To outlaw the possession by any individual, firm, or corporation of gold or gold certificates, to compel such legal tender to be delivered to the Government in exchange for whatever kind of money the Government chose to offer;

To impose taxes of unspecified amounts upon manufacturers and processors handling seven major farm products and, if necessary, competitive products;

To distribute the money thus raised as a bounty or bonus to certain agricultural producers;

To fix within certain broad limits pensions and compensation to be paid to veterans of the various wars and their dependents;

To require industries, or groups of industries, to adopt codes of practice within their industries affecting wages, maximum hours, working conditions, prices, restriction of output, and combinations;

To reject or modify such codes and to dictate substitute codes and compel industries to accept them, under penalty of being deprived of the right to continue in business, in addition to being subject to fine;

To expend in his discretion all or any part of $3,000,000,000 in the construction of public works of whatever character he dictates and in whatever locality he selects, or to use the money in loans to cities and States for that purpose;

To expend up to $250,000,000 in maintenance of reforestation conservation work camps;

To impose operating conditions on the railroads of the United States;

To reorganize and consolidate executive agencies of the Government; to reallocate them or to abolish them alto-

gether, forcing into idleness an untold number of employees of the agencies and activities so abolished;

To raise or lower postal rates, which gives him punitive power over the public press;

To cancel or annul existing air and ocean mail contracts;

To make public the income-tax returns of individuals in his discretion;

To compel the Federal Reserve banks to purchase up to $3,000,000,000 in Government securities, in order to sustain the market in Government bonds;

To start the printing presses and issue $3,000,000,000 in greenbacks; and

To debase the gold content of the dollar down to 50 percent of its present value.

This may not be a complete list of the powers the Congress delegated to the President, but it certainly is a formidable one, even though it may be incomplete.

In delegating those powers to the President, as well as in acting upon other measures, the Congress, insofar as the House of Representatives is concerned, has been a legislative but not a deliberative body. There never has been such a travesty upon representative government as the procedure of the House of Representatives in the extraordinary session of the Seventy-third Congress. Bills were written in the executive departments of the Government, sent to the House, and ordered passed as written.

In some cases, bills have been passed before they were printed, before any copies were available even for the leaders of the House or members of the committees sponsoring them, without anyone's knowing what they contained. Those bills were passed under special rules which made of the House of Representatives merely a rubber stamp to furnish the necessary legality to the desires of the executive branch of the Government. Those rules permitted no amendments to be offered to the bills in question. But the rules were not intended to be partisan. They were not directed at the Republican minority. They were merely intended to prevent freedom of action upon the part of the House of Representatives. In point of fact, their real purpose was to prevent the Democratic majority from getting out of control and refusing to take orders from the White House. Upon one or two occasions, these rules were invoked to force through bills which the Democratic caucus had refused to support.

All this was done upon the ground that dire emergencies existed, which could not be handled except by a highly centralized authority. Haste was represented as being the essential need of the hour.

With some of the legislation the Republican minority is in sympathy. To some of it, it is vigorously and unalterably opposed upon the ground that it violates every sound economic principle as well as the letter and spirit of the Constitution, and is subversive of the institutions of this Republic. Against such legislation the Republican minority has registered its protest. Under the Democratic rules which have governed the pracedure of the House, it could do nothing more.

With much of the legislation the Republican minority heartily agrees with the President that it is purely "an experiment." No time was permitted for careful analysis of or sober second thought upon that legislation. As Prof. Raymond Moley, Assistant Secretary of State and probably the closest adviser of the President, stated in a public article during the time Congress was in session:

> We are conscious of the danger that there is so little time to think.

In the opinion of the Republican minority much of the legislation of this session furnishes conclusive proof the danger referred to by Professor Moley was very real.

Rather than to take time to deliberate the mass of legislation thrust upon it by the executive departments with peremptory orders to pass it without hesitation or modification, rather than live up to the solemn duty of a body elected to reflect the will of the people and embody their wishes in the statutes of the land, this Congress has permitted itself to be driven in panicky haste to affixing its approval to the most revolutionary and far-reaching legislation ever enacted by any American Congress.

One thing, however, admits of no controversy. This Congress has dealt generously—even prodigally—with the Nation's Chief Executive. With some minor exceptions he obtained everything for which he asked—even to our adjournment. The record of the Republican minority in this Congress bears out the statement that we resorted to no captious criticism. We attempted no petty partisan obstruction. Even where we violently disagreed with the proposals before us, we registered our disagreement in a dignified and parliamentary manner, without bickering or vilification.

This extraordinary session is closing, leaving with the President unprecedented power and unparalleled funds to work out the salvation of the American people according to his own theories and strategy.

As upright American citizens whose first concern is for the welfare of their fellow countrymen and the integrity of their Nation's institutions, we all hope these experiments will prove equal to the hopes of the President who proposed them. As President Hayes stated in his inaugural address:

> He serves his party best who serves his country best.

The Republican minority of this House still subscribes to that sentiment.

Whether or not the measures enacted by this Congress fulfill the hopes of those proposing them is a question which time only will determine. If they prove successful, their very success is the vindication of their wisdom. But if they fail, let it be said that they failed because they were economically unsound rather than because they were unwisely administered. The President asked for the legislation and he asked for the power to be used as a public trust, and it was in such a spirit his requests were granted. The people of this country at least have the right to demand that he use this power in the same spirit it was granted and not as a political opportunity or a partisan weapon. Great as is the power now centered in the Chief Executive, still greater is his solemn responsibility to see to it that power is not prostituted or misused. The opportunities offered in much of the legislation enacted invite the building up of a corruptible and corrupting political machine, capable of intolerable abuses and immense scandals. Already there are evidences that certain interests and individuals are preparing to take advantage of just such opportunities. The American people will not demand that the President bring about an economic millennium through the powers vested in him and the laws enacted at his request, but they do expect and have a right to demand that if he fails in his high purpose that he return those powers untainted by political corruption or partisan favoritism. They had better remain unused than to be abused.

In closing, may I venture the opinion that whatever mistakes have been committed by this Congress have been committed because of the persistent demand that we sacrifice calm judgment and due deliberation in order to make haste. And may I recall the admonition of President Lincoln in his first inaugural address, when, at a time practically all factions and all parties were clamoring for action, action, action, he stated:

> Nothing valuable can be lost by taking time. If there be an object to hurry any of you in hot haste to take a step which you would never take deliberately, that object will be frustrated by taking time; but no good object can be frustrated by taking time.

TABLE A.—*Summary of appropriations of first (extraordinary) session of the Seventy-third Congress*

Independent Offices Appropriation Act		$631,802,546
District of Columbia Appropriation Act		30,375,834
Third Deficiency Appropriation Act		994,597
Department of Agriculture:		
Agricultural Adjustment (Domestic Allotment) Act, sec. 12 (a), for administrative expenses		100,000,000
Fourth Deficiency Appropriation Act:		
Farm Credit Administration, sec. 5, Farm Credit Act, 1933:		
Revolving fund	$40,000,000	
Administrative expenses	2,000,000	

TABLE A.—*Summary of appropriations of first (extraordinary) session of the Seventy-third Congress*—Continued

Fourth deficiency appropriation act—Continued		
Federal Trade Commission, for administration of Security Act of 1933	$265,000	
Federal Home Loan Bank Board:		
To promote local thrift (sec. 6, Home Owners' Loan Act, 1933)	150,000	
Federal savings-and-loan associations (sec. 5 (g) Home Owners' Loan Act, 1933)	50,000,000	
Department of Labor:		
Establishment national employment system (Wagner bill approved June 6, 1933)	1,500,000	
Federal land bank (sec. 23, Emergency Farm Mortgage Act)	50,000,000	
Federal land bank (sec. 24, Emergency Farm Mortgage Act)	$15,000,000	
Bank-deposit insurance (sec. 12B, par. (c), Glass banking bill)	150,000,000	
Miscellaneous items	1,164,670	
National Industrial Recovery and Public Works Act (sec. 220)	3,300,000,000	
		$3,610,079,670
Grand total, appropriations, 1st sess. 73d Cong		4,373,252,647

NOTE.—The independent offices and District of Columbia appropriations were the two regular appropriation bills left over from the short session of Congress, which adjourned March 4 last. The third deficiency appropriation consisted almost wholly of providing funds to pay court judgments and claims against the Government. The miscellaneous items of the Fourth Deficiency Act were to pay claims and judgments against the Government, provide for the George Rogers Clarke Sesquicentennial Commission, pay the expenses of the delegation of the United States at the London Economic Conference, and pay expenses of inquiries and investigations ordered by the United States Senate. All the rest of the appropriations under the Fourth Deficiency Act were to finance projects and activities inaugurated by this administration. They totaled $3,608,915,000, to which must be added the $100,000,000 appropriated by the Agricultural Adjustment Act for administrative expenses in carrying out the provisions of that act. This makes a grand total of $3,708,915,000 that this special session of Congress appropriated over and above the routine expenses necessary to run the Government for the next fiscal year.

Part of the item of $3,300,000,000 in the Fourth Deficiency Act is "earmarked" under the provisions of the act. Four hundred million dollars is set aside for Federal aid in public-highway construction. Not less than $50,000,000 is set aside for consideration of public highways in national parks, forests, and Indian reservations. Twenty-five million dollars is set aside to be used at the discretion of the President to finance the back-to-the-land movement in an endeavor to relieve the congestion in industrial centers.

In addition, under the provisions of the Fourth Deficiency Act itself $50,000,000 is set aside for use by the directors of the Tennessee Valley Authority (Muscle Shoals).

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn sine die.

The motion was agreed to; accordingly (at 1:22 o'clock a.m.), the first session of the Seventy-third Congress adjourned sine die.

EXECUTIVE COMMUNICATIONS, ETC.

109. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to the Rivers and Harbors Act of July 3, 1930, on preliminary examination of Kalihi Harbor and Keehi Lagoon, Island of Oahu, Hawaii, entrance into Honolulu and Pearl Harbors, together with accompanying papers, was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MALONEY of Louisiana: A bill (H.R. 6123) to provide for the survey of Bayou Sennette, in Jefferson Parish, La., with a view to maintaining an adequate channel of suitable width; to the Committee on Rivers and Harbors.

By Mr. WALDRON: A bill (H.R. 6124) authorizing the Reconstruction Finance Corporation to make loans to bona-fide institutions or individuals, for the purpose of financing agriculture, commerce, and industry; to the Committee on Banking and Currency.

By Mr. CELLER: A bill (H.R. 6125) to establish uniform requirements affecting Government contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAVENS: A bill (H.R. 6126) to provide for the construction of a post-office building at Fort Smith, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. TINKHAM: Joint resolution (H.J.Res. 208) authorizing and directing the President of the United States to recall Norman H. Davis as chairman of the American delegation to the General Disarmament Conference with the personal rank of ambassador and as a member of the organizing committee of the Economic Conference; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to give serious consideration to allotting for highways a larger proportion of the funds set aside for the public-works program; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Arizona, requesting Congress to, either by legislation or regulation, reinstate the time heretofore in force for allowing presumptive disability; to allow the same rules for reduction of compensation for direct service-connected disability to apply to presumptive disabilities; and to reinstate all life statutory awards for arrested tuberculosis as the same heretofore existed; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the State of Wisconsin, relating to cost of production for farmers; to the Committee on Agricuture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of West Virginia: A bill (H.R. 6127) granting Distinguished Service Cross to Acors Rathbun Thompson; to the Committee on Military Affairs.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 6128) to correct the naval record of Joseph Horace Albion Normandin; to the Committee on Naval Affairs.

By Mr. TRAEGER: A bill (H.R. 6129) for the relief of Edna M. Callahan and Anna Scott; to the Committee on Claims.

By Mr. PATMAN: A bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia; to the Committee on the District of Columbia.

PETITIONS, ETC.

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

1387. By Mr. CARTER of California: Petition of H. J. Walters, James L. Mills, and 65 other residents of Oakland, Calif., urging the passage of a general manufacturers tax; to the Committee on Ways and Means.

1388. Also, petition of Carl Hanson, R. E. Hussey, and 15 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1389. Also, petition of Arthur D. Lambie, Jessie V. Rudolf, D. L. Black, and 50 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1390. Also, petition of C. S. McGeorge, W. A. Triebe, G. Anderson, and 30 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1391. Also, petition of Edward F. Berlin, W. H. McKelvey, and nine other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1392. Also, petition of C. L. McNulty, Philip Bradshaw, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1393. Also, petition of Robert L. Miller, Maynard Church, and 50 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1394. Also, petition of George J. Luttrell, A. C. McCurrie, and 30 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1395. Also, petition of John Milne, Herbert W. French, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1396. Also, petition of Mrs. Earl Christiansen, Mrs. D. M. McCarthy, and 40 other residents of Oakland, Calif, urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1397. Also, petition of J. A. Sutton, Earl Hunter, T. B. Bridges, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1398. Also, petition of Rev. James E. Jackson, W. R. Forsey, and 30 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1399. Also, petition of M. G. Lowry, R. L. McMahon, A. E. Castro, and 60 other residents of Oakland, Calif., protesting the action of the President in cutting down and taking away the pensions of the Spanish-American War veterans and urging that the President restore these pensions; to the Committee on Pensions.

1400. Also, petition of J. A. Young, E. M. Lamd, Mrs. B. Johnstone, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1401. Also, petition of C. J. Hogan and 1,800 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them; to the Committee on Pensions.

1402. By Mr. SUTPHIN: Petition of Ancient Order of Hibernians of America, Middlesex County Board, opposing reduction or cancelation of foreign war debts; to the Committee on Foreign Affairs.

1403. By the SPEAKER: Petition of the city of Chicago, re the construction of highways in the greater Chicago metropolitan region; to the Committee on Roads.