3239. Also, petition of American Institute of Mining and Metallurgical Engineers, New York City, concerning the United States Bureau of Mines and the United States Geological Survey; to the Committee on Mines and Mining.

3240. Also, petition of the Greater New York-New Jersey Milk Institute, Inc., New York City, opposing the Connery bill (H.R. 8492); to the Committee on Labor.

3241. Also, telegram from the Standard Commercial Tobacco Co., Inc., New York City, opposing the passage of the Fletcher-Rayburn bill in its present form; to the Committee on Interstate and Foreign Commerce.

3242. Also, telegram from the Farr & Co., New York City, opposing passage of the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3243. Also, telegram from Cohen, Goldman & Co., New York City, concerning the stock-exchange securities bill; to the Committee on Interstate and Foreign Commerce.

3244. Also, petition of the Philadelphia Chamber of Commerce, Philadelphia, Pa., urging defeat of the Wagner-Connery bills (S. 2926 and H.R. 8423); to the Committee on Labor.

3245. Also, petition of the Chesapeake Steamship Co., Baltimore, Md., opposing the passage of House bill 7979; to the Committee on Merchant Marine, Radio, and Fisheries.

3246. Also, petition of F. Weidner Printing & Publishing Co., Brooklyn, N.Y., opposing the Wagner-Connery bills; to the Committee on Labor.

3247. Also, petition of Frederick Loeser & Co., Inc., Brooklyn, N.Y., protesting against the adoption of the Wagner-Connery bills (S. 2926 and H.R. 8423); to the Committee on Labor.

3248. Also, telegram from the Bakelite Corporation, New York City, opposing the Wagner-Connery bills; to the Committee on Labor.

3249. Also, petition of the Collins & Aikman Corporation, New York City, opposing the National Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

3250. Also, telegram from the New York Clothing Cutters Union, Local 4, A. C. W. of A., New York City, favoring the Wagner Labor Disputes Act; to the Committee on Labor.

3251. Also, petition of Benisch Bros., mausoleums and monuments, Brooklyn, N.Y., opposing the Wagner-Connery bills (S. 2926 and H.R. 8423); to the Committee on Labor.

3252. Also, petition of the Brooklyn Chamber of commerce, Brooklyn, N.Y., opposing House bill 8492; to the Committee on Labor.

3253. By Mr. McCORMACK: Memorial of the General Court of Massachusetts, urging the Congress and the President of the United States to exercise their powers drastically to limit the importation of refined sugar from insular possessions of the United States and from foreign countries, and further urging the adoption of the Walsh amendment to the Costigan bill; to the Committee on Agriculture.

3254. Also, memorial of the City Council of Lynn, Mass., urging the naming of one of the new battleships the U.S.S. *Lynn;* to the Committee on Naval Affairs.

3255. By Mr. RICH: Petition of the Workers Council of the Presbyterian Sunday School of Port Allegany, Pa., favoring House bill 6097; to the Committee on Interstate and Foreign Commerce.

3256. By Mr. RUDD: Petition of the Stag Laundry, Inc., Brooklyn, N.Y., urging defeat of the Wagner-Connery bills; to the Committee on Labor.

3257. Also, petition of Sperry Products, Inc., Manhattan Bridge Plaza, Brooklyn, N.Y., opposing passage of the Wagner-Connery bill; to the Committee on Labor.

3258. Also, petition of Charles B. Warren, New York City, opposing the passage of the Wagner Trade Disputes Act; to the Committee on Labor.

3259. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., opposing the Connery bill (H.R. 8492); to the Committee on Labor.

3260. Also, petition of the Greater New York-New Jersey Milk Institute, Inc., New York City, opposing the enactment of the Connery bill (H.R. 8492); to the Committee on Labor.

3261. Also, petition of New York Typographical Union, No. 6, New York City, favoring the enactment of the Connery 30-hour-week bill; to the Committee on Labor.

3262. Also, petition of the Philadelphia Chamber of Commerce, Philadelphia, Pa., opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3263. Also, petition of the American Institute of Mining and Metallurgical Engineers, New York City, relating to the United States Bureau of Mines and the United States Geological Survey; to the Committee on Mines and Mining.

3264. Also, petition of Standard Commercial Tobacco Co., Inc., New York City, opposing the passage of the Fletcher-Rayburn stock-exchange control bills; to the Committee on Interstate and Foreign Commerce.

3265. Also, petition of Cohen Goldman & Co., New York City, opposing the passage of the stock-exchange control bills; to the Committee on Interstate and Foreign Commerce.

3266. Also, petition of Farr & Co., 90 Wall Street, New York City, opposing the passage of the Fletcher-Rayburn stock-control bill; to the Committee on Interstate and Foreign Commerce.

3267. Also, petition of Frederick Loeser & Co., Brooklyn, N.Y., opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3268. Also, petition of Benisch Bros., Brooklyn, N.Y., opposing the Wagner-Connery bills; to the Committee on Labor.

3269. By Mr. STOKES: Petition in the nature of a resolution of the Pennsylvania State Fish and Game Protective Association, consisting of 396 members, that where our industry pollutes water, and where practicable methods of treatment or disposal of those polluting wastes are known, that such industry be required as a part of its code to install and operate such treatment plant, and that where practicable methods for the wastes of any particular industry may at present be established or utilized for research to the end that proper methods may be developed for the treatment of all water; to the Committee on Merchant Marine, Radio, and Fisheries.

3270. By Mr. WOLCOTT: Petition of Mason L. Fish and 2,297 others, petitioning the Congress to take such action as is necessary to restore all benefits as of March 19, 1933, to disabled veterans with service-connected disabilities; to the Committee on Appropriations.

3271. Also, petition of Edward F. Jahr, of Sebewaing, Mich., and 27 others, urging amendment to House bill 7147 to include fresh water fisheries of the Great Lakes; also urging the passage of House bill 7419 to prohibit the importation of fish and fish products; to the Committee on Merchant Marine, Radio, and Fisheries.

3272. By Mr. BEITER: Petition of Woman's Home and Foreign Missionary Society, Buffalo, N.Y., urging hearings and favorable consideration of the Patman motion-picture bill (H.R. 6097); to the Committee on Interstate and Foreign Commerce.

3273. By the SPEAKER: Petition of W. Deppe regarding persecution of certain judges in Federal courts and certain industrial pirates; to the Committee on the Judiciary.

SENATE

MONDAY, MARCH 26, 1934

(Legislative day of Tuesday, Mar. 20, 1934)

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, returned to the Senate, in compliance with its request, the bill (S. 1699) to prevent the loss of the title of the United States to lands in the Territories or Territorial possessions through adverse possession or prescription.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 5863) to prevent the loss of the title of the United States to lands in the Territories or Territorial possessions through adverse possession or prescription, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Costigan	Hayden	Reed
Ashurst	Couzens	Hebert	Robinson, Ark.
Bachman	Cutting	Johnson	Robinson, Ind.
Bailey	Davis	Kean	Russell
Bankhead	Dickinson	Lewis	Schall
Barbour	Dieterich	Logan	Sheppard
Barkley	Dill	Lonergan	Shipstead
Bone	Duffy	Long	Smith
Borah	Erickson	McAdoo	Steiwer
Brown	Fess	McCarran	Stephens
Bulkley	Fletcher	McGill	Thomas, Okla.
Bulow	Frazier	McKellar	Thomas, Utah
Byrd	George	McNary	Thompson
Byrnes	Gibson	Neely	Townsend
Capper	Goldsborough	Norris	Tydings
Caraway	Gore	O'Mahoney	Vandenberg
Carey	Hale	Overton	Van Nuys
Clark	Harrison	Patterson	Wheeler
Connally	Hastings	Pittman	White
Coolidge	Hatch	Pope	

Mr. FRAZIER. I wish to announce that my colleague the junior Senator from North Dakota [Mr. NYE] is unavoidably absent on account of sickness in his family.

Mr. LEWIS. I desire to announce that the Senator from Alabama [Mr. BLACK], the senior Senator from New York [Mr. COPELAND], the junior Senator from New York [Mr. WAGNER], the Senator from Virginia [Mr. GLASS], the Senator from Iowa [Mr. MURPHY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Florida [Mr. TRAMMELL], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

I further wish to announce that the Senator from Utah [Mr. KING] is absent from the Senate attending a funeral.

Mr. HEBERT. I desire to announce that the Senator from West Virginia [Mr. HATFIELD] is absent on account of illness; and that my colleague the senior Senator from Rhode Island [Mr. METCALF] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

REPORT OF FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORK

The VICE PRESIDENT laid before the Senate a letter from the Federal Emergency Administrator of Public Works, transmitting, in response to Senate Resolution 190—requesting certain information concerning the organization, policies, and program of the Public Works Administration—a report of the business of the Administration from its organization to the period ended February 15, 1934, which, with the accompanying report, was referred to the Committee on Printing.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by councillors of the municipal government of Minalabac, Province of Camarines Sur, P.I., protesting against the alleged attitude of the Resident Commissioner of the Philippine Islands [Mr. OSIAS] relative to Philippine independence, and declaring "that his actions do not represent the sentiments of the majority of the Philippine Legislature nor of the Philippine people", which were ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from the Marina Home Owners' Protective Association, San Francisco, Calif., praying for amendment of the so-called "national securities exchange bill", so as to make its provisions less drastic, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a letter in the nature of a petition from Mr. and Mrs. H. Potter, of Brooklyn, N.Y., praying for an adequate issuance of currency, the restoration of silver to be used along with gold, and that new currency be used to cancel interest-bearing bonds, which was referred to the Committee on Banking and Currency.

Mr. REED presented resolutions adopted by the Philadelphia (Pa.) Board of Trade, protesting against favorable consideration of the so-called "national securities exchange bill", for reasons therein set forth, which were referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 1432) for the relief of Henry Bartels, reported it without amendment and submitted a report (No. 549) thereon.

He also, from the same committee, to which was referred the bill (S. 1594) for the relief of William Edward Tidwell, reported it with an amendment and submitted a report (No. 550) thereon.

Mr. NORRIS, from the Committee on the Judiciary, to which was referred the bill (S. 1884) to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends, reported it with amendments and submitted a report (No. 551) thereon.

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2568) granting a leave of absence to settlers of homestead lands during the years 1932, 1933, and 1934, reported it with amendments and submitted a report (No. 552) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. FLETCHER, from the Committee on Banking and Currency, reported favorably the nomination of Fred W. Catlett, of Washington, to be a member of the Federal Home Loan Bank Board for the unexpired portion of the term of 4 years from July 22, 1932, vice Russell Hawkins, deceased.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Brig. Gen. Harry Lee to be a major general (temporary) in the Marine Corps from the 1st day of March 1934, and also the nominations of sundry other officers in the Marine Corps.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of William T. Mahoney, of Alaska, to be United States marshal, division no. 1, District of Alaska, to succeed Albert White, resigned.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. REED:

A bill (S. 3179) for the relief of John F. Budke; to the Committee on Military Affairs.

By Mr. SMITH:

A bill (S. 3180) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity-futures exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. NEELY:

A bill (S. 3181) granting a pension to Ellen Knight; to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 3182) to provide for the purchase of the surplus copper, heretofore mined and processed in the United States; to the Committee on Mines and Mining.

(By request.) A bill (S. 3183) to amend section 35 of the Criminal Code of the United States; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

A bill (S. 3184) for the relief of Eddie French; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 3185) to amend the Agricultural Adjustment Act, as amended, with respect to farm prices; to the Committee on Agriculture and Forestry.

By Mr. McCARRAN:

A bill (S. 3186) to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

(Mr. McCARRAN introduced Senate bill 3187, which appears under a separate heading.)

By Mr. REED:

A bill (S. 3188) to amend section 3467 of the Revised Statutes; to the Committee on Finance.

REGULATION OF INTERSTATE TRANSPORTATION BY AIRCRAFT

Mr. McCARRAN. Mr. President, I ask unanimous consent to introduce a bill to provide for the regulation of interstate transportation of passengers, mail, and property by aircraft within the United States. I ask that it be referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, the bill will be received and referred as requested.

Mr. BARKLEY. Mr. President, the Committee on Interstate Commerce usually has jurisdiction over measures affecting the transportation of passengers and commodities in interstate commerce. I note that the Senator asks that this bill go to the Committee on Commerce. Is there any special reason for not having it referred to the Interstate Commerce Committee?

Mr. McCARRAN. I think on this occasion there may be. If, after reading the bill when it shall have been printed, the Senator shall then think it should go to the Committee on Interstate Commerce, I may consider the matter with him.

Mr. BARKLEY. Very well.

The bill (S. 3187) to provide for the regulation of interstate transportation of passengers, mail, and property by aircraft within the United States, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

AMENDMENT TO REVENUE BILL—COPPER-BEARING ORES AND CONCENTRATES, ETC.

Mr. ASHURST submitted an amendment intended to be proposed by him to the bill (H.R. 7835) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT OF THE BANKRUPTCY ACT

Mr. McCARRAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H.R. 5950) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was ordered to lie on the table and to be printed.

CONSTRUCTION OF RURAL POST ROADS—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (S. 2102) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, as amended and supplemented, and for other purposes, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

TERMS OF AUTOMOBILE-LABOR SETTLEMENT—STATEMENT BY PRESIDENT ROOSEVELT

Mr. VANDENBERG. Mr. President, I ask unanimous consent to have printed in the RECORD the full text of President Roosevelt's statement announcing the terms of the automobile-labor settlement. I also ask that the statement be referred to the Senate Committee on Education and Labor, with the prayerful hope that it will have some effect on the consideration of the so-called "Wagner bill."

There being no objection, the statement was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

[From the Washington Post, Monday, Mar. 26, 1934]

PROVISIONS OF AUTO SETTLEMENT

(Following is the text of President Roosevelt's statement announcing terms of the automobile-labor settlement and outlining the policies of the administration in the Government's relationship to labor:)

"After many days of conferring in regard to the principles of employment in the automobile industry, the following statement covers the fundamentals:

"1. Reduced to plain language, section 7a of N.I.R.A. means—

"(a) Employees have the right to organize into a group or groups.

"(b) When such group or groups are organized they can choose representatives by free choice, and such representatives must be received collectively and thereby seek to straighten out disputes and improve conditions of employment.

"(c) Discrimination against employees because of their labor affiliations, or for any other unfair or unjust reason, is barred.

"A settlement and statement of procedure and principles is appended hereto.

"It has been offered by me to, and has been accepted by, the representatives of the employees and employers. It lives up to the principles of collective bargaining. I hope and believe that it opens up a chance for a square deal and fair treatment. It gives promise of sound industrial relations. It provides further for a board of three, of which the chairman will, as a neutral, represent the Government.

"In actual practice details and machinery will, of course, have to be worked out on the basis of common sense and justice, but the big point is that this broad purpose can develop with a tribunal which can handle practically every problem in an equitable way.

"PRINCIPLES OF SETTLEMENT

"Settlement of the threatened automobile strike is based on the following principles:

"1. The employers agree to bargain collectively with the freely chosen representatives of groups and not to discriminate in any way against any employee on the ground of his union-labor affiliations.

"2. If there be more than one group, each bargaining committee shall have total membership pro rata to the number of men each member represents.

"3. N.R.A. to set up within 24 hours a board, responsible to the President of the United States, to sit in Detroit to pass on all questions of representation, discharge, and discrimination. Decision of the board shall be final and binding on the employer and employees. Such a board to have access to all pay rolls and to all lists of claimed employee representation, and such board will be composed of (a) a labor representative; (b) an industry representative; (c) a neutral.

"In cases where no lists of employees claiming to be represented have been disclosed to the employer, there shall be no basis for a claim of discrimination. No such disclosure in a particular case shall be made without specific direction of the President.

"4. The Government makes it clear that it favors no particular union or particular form of employee organization or representation. The Government's only duty is to secure absolute and uninfluenced freedom of choice without coercion, restraint, or intimidation from any source.

"5. The industry understands that in reduction or increases of force such human relationships as married men with families shall come first, and then seniority, individual skill, and efficient service. After these factors have been considered, no greater proportion of outside union employees similarly situated shall be laid off than of other employees. By outside union employees is understood a laid-up member in good standing, or anyone legally obligated to pay up. An appeal shall lie in case of dispute on principles of paragraph 5 to the board of three.

"PRAISES COOPERATION

"In all the hectic experience of N.R.A., I have not seen more earnest and patriotic devotion than has been shown by both employers and employees in the automotive industry. They sat night and day for nearly 2 weeks without a single faltering or impatience. The result is one of the most encouraging incidents of the recovery program. It is a complete answer to those critics who have asserted that managers and employees can not cooperate for the public good without domination by selfish interest.

"In the settlement there is a framework for a new structure of industrial relations—a new basis of understanding between em-

ployers and employees. I should like you to know that in the settlement just reached in the automobile industry we have charted a new course in social engineering in the United States. It is my hope that out of this will come a new realization of the opportunities of capital and labor not only to compose their differences at the conference table and to recognize their respective rights and responsibilities but also to establish a foundation on which they can cooperate in bettering the human relationships involved in any large industrial enterprise.

"It is particularly fitting that this great step forward should be taken in an industry whose employers and employees have contributed so consistently and so substantially to the industrial and economic development of this country in the last quarter century. Having pioneered in mechanical invention to a point where the whole world marvels at the perfection and economy of American motor cars and their wide-spread ownership by our citizens in every walk of life, this industry has indicated now its willingness to undertake a pioneer effort in human engineering on a basis never before attempted.

"STRESSES ADVANCES

"In the settlement just accomplished two outstanding advances have been achieved. In the first place, we have set forth a basis on which, for the first time in any large industry, a more comprehensive, a more adequate, and a more equitable system of industrial relations may be built than ever before. It is my hope that this system may develop into a kind of works council in industry in which all groups of employees, whatever may be their choice of organization or form of representation, may participate in joint conferences with their employers, and I am assured by the industry that such is also their goal and wish.

"In the second place, we have for the first time written into an industrial settlement a definite rule for the equitable handling of reductions and increases of forces. It would be ideal if employment in all occupations could be more generally stabilized, but in the absence of that much-desired situation, if we can establish a formula which gives weight to the human factors as well as the economic, social, and organizational factors in relieving the hardship of seasonal layoff, we shall have accomplished a great deal. My view, and that of both employees and employers, is that we have measurably done so in this settlement.

"This is not a one-sided statute, and organizations of employees seeking to exercise their representative rights cannot at the same time be unmindful of their responsibilities.

"Industry's obligations are clearly set forth and its responsibilities are established. It is not too much to expect organizations of employees to observe the same ethical and moral responsibilities, even though they are not specifically prescribed by the statute. Only in this way can industry and its works go forward with a united front in their assault on depression and gain for both the desired benefits of continually better times."

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 following bills of the Senate:

S. 2089. An act to amend the Code of Laws for the District of Columbia, approved March 3, 1901, as amended (D.C. Code, title 5, ch. 3), relating to building-and-loan associations; and

S. 2950. An act to authorize steam railroads to electrify their lines within the District of Columbia, and for other purposes.

The message also announced that the House had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to each of the following bills of the House:

H.R. 7478. An act to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes; and

H.R. 7966. An act to authorize the Postmaster General to accept and to use landing fields, men, and material of the War Department for carrying the mails by air, and for other puposes.

INCLUSION OF CATTLE AS A BASIC INDUSTRY—CONFERENCE REPORT

Mr. SMITH submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, 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 amendment numbered 7.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, and 6, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 6. There is authorized to be appropriated the sum of $50,000,000 to enable the Secretary of Agriculture to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for distribution for relief purposes, and to enable the Secretary of Agriculture, under rules and regulations to be promulgated by him and upon such terms as he may prescribe, to eliminate diseased dairy and beef cattle, including cattle suffering from tuberculosis or Bangs' disease, and to make payments to owners with respect thereto."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "To amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes"; and the Senate agree to the same.

E. D. SMITH,
ELMER THOMAS,
GEO. MCGILL,
G. W. NORRIS,
CHAS. L. MCNARY,
Managers on the part of the Senate.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

MESSAGES FROM THE PRESIDENT

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

PROSPERITY AND RATE REDUCTIONS—ADDRESS BY BASIL MANLY

Mr. COSTIGAN. Mr. President, on March 9, 1934, Hon. Basil Manly, Vice Chairman of the Federal Power Commission and former joint chairman with ex-President Taft of the War Labor Board, delivered before the City Club of Boston, a carefully considered and forceful address in which, in part, he stressed the value for industrial leaders and the public of mass production and distribution, with reasonably reduced rates, in the electric light and power industry. I ask unanimous consent to have this address printed in the CONGRESSIONAL RECORD.

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

I am here today to tell you about the work of the Federal Power Commission and its relation to the efforts of citizens in every part of the country to secure cheap and abundant electricity.

The power question has become a national issue. It directly concerns every American household and every American business. Our domestic comfort as well as our national prestige depend upon our working out a practical and constructive solution of the many problems which it involves. That is the objective of the Federal Power Commission.

Such a program is necessary because the leaders of the industry failed to discharge the public trust which had been reposed in them. They have had an almost unrestricted opportunity to serve the public and build up a sound, well-managed industrial structure. But, with rare exceptions, they have been weighed in the balances and found wanting.

For many years before the crash of 1929 the utility magnates were sitting on top of the world. Their friends were entrenched in the seats of the mighty at Washington. They were free from any effective regulation by States or the Federal Government. Their stocks and bonds had been built up into an unstable pyramid, whose sole foundation was operating-company profit. But, in spite of the insecurity of this financial structure, their securities continued to sell at fantastic prices, because of the belief of investors in the honesty and integrity of the leaders of this great public-service industry.

The press agents and propagandists, lavishly financed by the power corporations, were teaching the public, as well as the chil-

dren in private and public schools, that the utilities were model corporations managed by archangels and supermen. Contributing generously to the campaign funds of both the great political parties, the financiers, promoters, and managers of the power industry felt secure against the growing opposition in both Houses of Congress and in the legislatures of widely scattered States.

Today these utilities are on trial to determine whether their responsible officers and directors now have sufficient courage, intelligence, and statesmanship to adjust their policies and methods to satisfy the demands of a public opinion that has been aroused in every section of the country.

I have no intention of reviewing here today the misdeeds of those who have wrecked great corporations, robbed the consuming public, ruined innocent investors, and sought corruptly to influence the schools, the colleges, and the public press of the Nation. The people now know the facts and are insistently demanding that the old order of things in this industry be ended forever.

It is sufficient to direct your attention to the fact that the difficulties under which the utilities are now laboring and the losses which innocent investors in their securities have suffered are the result of indefensible mismanagement, wreckage, and looting by corrupt or incompetent officials, directors, promoters, or financiers rather than the result of any policy or any punitive action on the part of the authorities of the Federal Government or those of any State.

Insull holding-company stocks and bonds are today almost worthless, not because of anything that has been done by Government officials but because Samuel Insull and his henchmen sold the public what were in effect counterfeit securities and then deliberately diverted to their own private gain the relatively small amount of real value that underlay them. And Insull's best defense, which is no defense in either law or ethics, is that he did only what other leaders of this great industry were doing.

It is true that public-utility securities are now depressed, but that is not due to Government competition in the Tennessee Valley or at Boulder Dam, or to any other policy of the Roosevelt administration, as the utility propagandists are seeking to make the public believe. The best proof of this is the fact that the price index of public-utility securities, as reported by the Wall Street Journal, reached its lowest level of 16.35 in July 1932, when Herbert Hoover was President of the United States. Now the public-utility-security index stands at about 26.50, representing an increase of 62 percent above the level at which it stood when Franklin Roosevelt was nominated.

The worst damage now being done to investors in utility stocks and bonds is coming from the calamity howlers of Wall Street, who are shouting from the housetops that the industry is being wrecked by the Federal Government's program for the development of great water-power resources, that would otherwise be running to waste, and by the efforts of the State commissions to reduce excessive rates for electric light and power.

These prophets of destruction are pursuing the same mad course in relation to the utilities that they followed for a generation with respect to the railroads. Resisting every public effort to secure lower railroad rates, to modernize equipment, to regulate securities in the interest of a sound financial structure, and to place the valuation of railroad properties on a basis of actual prudent investment, they so loaded the rail carriers down with high freight and passenger rates, excessive capitalization, and obsolete equipment that they were unable to meet the competition of buses, trucks, airplanes, and waterways. Today progressive railroad executives, under the inspiration and leadership of one of the ablest citizens of Massachusetts, Hon. Joseph B. Eastman, Federal Coordinator of Transportation, are cutting freight and passenger rates, installing modern high-speed equipment, and providing house-to-house freight delivery. These progressive policies are already building up freight and passenger traffic and restoring their railroads to a sound competitive basis.

The leaders of the electric utility industry in the present crisis have an exceptional opportunity to display industrial statesmanship and check the rising tide of public hostility and suspicion which the policies and events of recent years have directed against them. They can, if they choose, place the industry on a sounder and more enduring financial basis than it has ever enjoyed since Thomas A. Edison opened the Pearl Street station some 40 years ago. They are in control of an industry that is sound and relatively efficient from an operating standpoint. To succeed they must rebuild its financial structure and revolutionize its public policies.

First of all, they must immediately and voluntarily revise the rate structure for residential and small commercial consumers so as to give home owners and storekeepers cheaper rates and more desirable service. They must provide rates that will promote rather than discourage the use of electricity through the score of appliances that science has developed to lighten household burdens and increase domestic joys. The utilities will inevitably be repaid by an increase in the use of electric current that will not only expand the volume of business but materially straighten out the load curve and thus reduce unit costs of operation.

After they have taken this initial step of promotional rate reduction they must keep on reducing rates from time to time in progressive steps until a rate structure approximating that of the Tennessee Valley Authority has been put into effect throughout the length and breadth of the land. In pursuing this policy of progressive rate reduction they will not only bring back the sunshine of public favor which they once enjoyed but they will put their companies in a sounder and more stable financial position than they have ever enjoyed.

This apparent paradox of securing larger and steadier profits by reducing residential and small commercial rates arises out of two fundamental principles, which every intelligent utility operator knows but which have never been understood by the bankers and financiers who control the industry and determine its policies.

The first of these principles is that there is no industry in which the expansion of mass production and mass distribution yields such handsome returns as in the electric light and power industry. The reason is so simple that even a child can understand it. After the distribution system is in place for a house or a store, every kilowatt-hour of energy sold to a customer over and above the amount necessary to cover fixed charges, maintenance, and commercial expense costs a utility nothing more than the bare operating expense. Even if you have an old, high-cost generating plant, in which your bare operating costs run as high as 6 or 7 mills, you can make money by inducing customers to use more current at 2 cents a kilowatt-hour after your basic costs have been provided for in the earlier steps of a promotional schedule. But if you have a really modern, low-cost plant, in which operating costs are 2 mills or less, the profit possibilities that flow from increasing the consumption of electricity are tremendous.

The second principle, which has been abundantly demonstrated during the depression, is that the business of supplying residential and small commercial consumers is, year in and year out, the steadiest that any utility can have. When a business slump comes, the industrial electric load fades away like the proverbial snowball in Hades. But no matter how hard the times, homes must be lighted, dinners must be cooked, and stores must display their wares.

It follows from these two principles that those utilities will be most enduringly prosperous which bend their energies to building up their domestic and commercial business to a high level of consumption and a high load factor through a policy of progressive rate reductions.

In support of the validity of these principles, I might cite the experience of many municipal plants, both in the United States and Canada, which have progressively reduced rates to very low levels with satisfactory financial results. I prefer, however, to describe the results achieved by a privately owned company located in the Nation's Capital which is some 200 miles from the source of its fuel supply and has almost no industrial load to boost its plant-capacity factor.

Ten years ago, after a period of endless litigation which had exasperated public opinion in Washington, the Potomac Electric Co. entered into a contract with the Public Service Commission of the District by which it agreed to reduce rates each year by an amount representing one half of its surplus earnings over and above 7½ percent on an agreed valuation of its property. For convenience, we will call this the "Washington plan." At that time the rate charged for domestic service was 10 cents a kilowatt-hour. In the first year, under this plan, rate reductions amounting to $762,000 were made. The domestic rate was cut to 7½ cents.

The board of directors of this company, like those of every other utility with which I am acquainted, naturally expected that this would be the end of rate reductions, because it was impossible for them to conceive that there would be any profit at all, much less a surplus, after a 25-percent rate cut. But the principles which I have enunciated came into play, the people used more electricity, and each year a substantial surplus was piled up to be applied to rate reductions.

Every year for 10 years there has been a substantial rate reduction for the people of Washington, until today they have a rate schedule which approaches that announced by the Tennessee Valley Authority. They pay 3.9 cents for the first 50 kilowatt-hours, 3.3 cents for the next 50 kilowatt-hours, 2 cents for the next 100 kilowatt-hours, and 1.5 cents for everything over 200 kilowatt-hours. I use electricity in my home for lighting, cooking, refrigeration—in fact, everything except heating—and my bill for a 12-room house averages less than $8 a month.

Now, what has happened to the poor utility company while this ruinous and unending series of rate reduction has been taking place? Get out your hankerchiefs and prepare to weep for the widows and orphans and other innocent investors who had put their savings in the bonds or preferred stock of this oppressed company. They couldn't buy its common stock because that was all held by the street-railway company.

In 1924, before this terrible rate-reduction policy went into effect, the company earned three and four tenths times its bond interest, after allowance for depreciation and taxes. That made it a fairly sound investment; but in 1932, after 8 years of rate reductions, and with rates less than a third what they were in 1925, the company earned 12 times its bond interest. At the same time the earnings on the common stock, which is tightly held by the street-railway company, have advanced under this policy of progressive rate reduction from $26.90 in 1924 to $68.08 in 1932.

These spectacular financial results, I want you to understand, have been achieved under a voluntary agreement and substantially without litigation, except for the proceedings relating to the recent successful move of the Public Service Commission to secure a more generous provision for continued rate reductions. This freedom from litigation and the complete elimination of the valuation controversy are, in my opinion, two of the most valuable features of the "Washington plan", because they not only remove an incentive for inefficiency and padding capital accounts, but give the responsible operating officials a chance to attend to business

and improve service instead of spending their time seeking to circumvent commissions and influence legislatures.

Before leaving this case of the electric rates in the Nation's Capital, I want to point out one other feature that is most impressive and which may perhaps penetrate even a Wall Street banker's intelligence. In 1924, when the domestic rate was 10 cents a kilowatt-hour, 25 cents out of every dollar of gross revenue taken in by the company was available for dividends, after the payment of interest, taxes, depreciation, and all expenses. In 1932, when the domestic schedule had been cut to a maximum of 3.9 cents, the balance available for dividends amounted to 40 cents out of every dollar of gross revenue. These facts and figures seem to demonstrate not only that this company has not been ruined by rate reductions but that it can, if it will, meet the Tennessee Valley rate schedule and, if necessary, go it one better.

This is true, I firmly believe, of every soundly financed and well-managed operating company that is not being bled by holding company or other parasitical affiliations. This view finds support in the recently expressed opinions of some of the more progressive leaders of the industry. Samuel Ferguson, of Hartford, Conn., one of the few utility executives who had the sanity and courage to stand out against the holding-company mania, recently said:

"Our ultimate goal is the complete electrification of every home with the use therein of from 300 to 600 kilowatt-hours per month for light, cooking, heating, refrigeration, hot water, and other uses. Recently the T.V.A., backed by the resources of the Federal Government, has avowed its intention of achieving a similar goal and it has been inferred that privately owned companies would suffer by comparison. Your company welcomes this challenge to match Yankee dollars and ingenuity against taxpayer dollars and the efficiency of governmental bodies." (From the Electrical World, Mar. 3, 1934, p. 319.)

If other utility executives and bankers will quit whining and show the same courage and business acumen, investors will have little to fear from public competition.

I have taken a long time to reach the question of the policy and activities of the Federal Power Commission, but I have felt that it was necessary first to lay before you the necessity for a national power program and to show you why I believe that the policy of securing for the people cheaper and more abundant electricity, which President Roosevelt has proclaimed, will not destroy the privately owned utilities, but that, if they will themselves adopt sound progressive policies, they will enter upon a period of enduring prosperity, such as could never have been attained under the leadership of the Insulls and other plunderers who threatened the very existence of the industry.

The fundamental power policy of the Federal Power Commission and of President Roosevelt, as stated most fully in his Portland speech, is very simple. It avoids alike the extreme of State socialism on the one hand and economic anarchism on the other. It does not go along with those who demand Nation-wide public ownership and operation of the generation, transmission, and distribution of electricity. It refuses likewise to be misled by those anarchistic captains of industry who, while accepting the benefits that flow to them from the operation of a publicly regulated monopoly, resort to every device to escape regulation so that they may follow their own individualistic and destructive policies.

Because of the policy pursued by the Federal Power Commission during the Harding, Coolidge, and Hoover administrations, it has been generally assumed that the sole function and authority of the Commission is to supervise the development of the Nation's water-power resources by private interests. That is a complete misconstruction of the intent of Congress as embodied in the Federal Water Power Act of 1920. That act clearly contemplated not only the formulation of a national power program after a thorough survey of the Nation's power resources but specifically provided that the Commission should submit recommendations to Congress whenever it deemed that any project should be developed by the Federal Government itself. The debates in Congress when this act was under consideration demonstrate that it was intended that the Nation's power resources should be developed not solely for the profit of private corporations but primarily for the benefit of domestic, rural, and industrial consumers.

The present membership of the Federal Power Commission, with the approval of the President, is seeking earnestly to make this policy effective. Under the terms of the act it is proceeding as rapidly as possible to determine the actual legitimate cost of the projects developed by its licensees, so that this information may be available to State commissions and other regulatory bodies in fixing the rates to be charged for electricity generated from these resources. This involves not only careful ascertainment of the actual cost of the work but the elimination of excessive fees and charges imposed upon the project by holding companies and affiliated construction corporations. The aggregate cost of the projects before the Commission, as claimed by the licensees, amounts to approximately a billion dollars, and you will readily understand that a huge task is involved merely in the determination of the amount that should be allowed as the actual legitimate cost.

The Federal Water Power Act also conferred upon the Commission important regulatory powers which have been largely in abeyance for many years, but which the present membership of the Commission proposes to exercise in accordance with the authority provided by law.

The act also empowered the Commission to make a survey of the Nation's water-power resources and to classify the power sites in their relation to available markets. The obvious purpose of this authorization was to secure the necessary data for the formulation of a national power policy, so that, if the Government should decide upon the public development of any of the Nation's power resources, those sites would be chosen which could be most cheaply developed and were most advantageously located in relation to available markets. This very important duty should have been performed years ago, but the Commission, as then constituted, did not have the funds for such a survey and did not choose to ask that they be provided by Congress. If this survey had been made, the program of the Public Works Administration would have been greatly accelerated. The Administration would have known exactly which power sites could be most advantageously developed and would have had available preliminary plans for their construction.

In order to remedy this failure to carry out the clear intent of Congress and further to provide for the correlation of the Government's activities in relation to the development of water power, President Roosevelt, under date of August 19, 1933, directed the Federal Power Commission to make a survey of the Nation's power resources and to examine and report upon applications for loans for the construction of power projects submitted to the Public Works Administration by States and municipalities.

The national power survey thus provided for is not an academic study. It is a practical undertaking of the greatest urgency. Since the crash of 1929 few new power projects have been constructed by private industry. As a result it is estimated by the Electrical World, the official organ of the utility industry, that when industrial activity is resumed on a normal basis the existing power capacity of the country will be 2,700,000 kilowatts short of supplying the demand. These estimates are more conservative than those independently arrived at by the General Electric Co., whose engineers estimate the shortage in 1935 at 4,200,000 kilowatts. To supply this capacity would require the development of a hundred large steam-electric or hydroelectric plants, the construction of each of which would require many months of labor, even if complete plans and specifications were available.

The seriousness of this situation is accentuated by review of the emergency which confronted the United States during the World War. At that time the Nation relied wholly upon the initiative of the public-utility corporations to supply the electrical energy which would be required to meet the Nation's needs. For nearly 3 years before we entered the conflict it was clear that we might be drawn in, but no adequate steps were taken to prepare for such an emergency. When war was declared and the industries of the United States were called on to produce to their utmost capacity, the electrical resources were entirely inadequate. Only by hasty interconnection of hitherto unrelated generating districts and the adoption of other expedients was the crisis met.

Intelligent national planning, for which this administration stands, requires that this situation be considered from the standpoint of the welfare of the whole country rather than the immediate interests of private corporations. With war clouds hovering over both Europe and Asia, it is imperative that effective steps be taken to insure an adequate supply of electric power under any conditions that may reasonably be contemplated.

The essential purpose of the National Power Survey is to determine the Nation's power requirements and ascertain the sources from which they can most economically and advantageously be supplied. It is not aimed exclusively at the development of water-power sites but contemplates the establishment and maintenance of that balance between hydroelectric power and steam-electric power which will give the Nation the most dependable sources of energy at the lowest possible rates.

Examination by the Federal Power Commission of those projects for power development submitted to the Public Works Administration as a basis for Federal loans is closely related to the development of such a national power policy. It is essential that the projects which are to be financed by Federal funds should be economically feasible and properly adapted to meet the Nation's needs for additional supplies of electrical energy. It is from this broad national standpoint that the Federal Power Commission has not hesitated to submit unfavorable recommendations on projects which it did not believe could be economically successful or which it did not conceive to be properly related to a well-balanced national plan.

Closely correlated with this basic idea of a national plan for the development of the Nation's power resources is that of securing the distribution of this power to the public at fair and reasonable rates. During the last session of Congress the Senate directed the Federal Power Commission to make a study of the cost of distribution of electrical energy in relation to the costs of generation and transmission. This investigation is now under way and when completed will afford a scientific basis for testing the reasonableness of the rates charged for electricity in all classes of service and under the varying conditions of widely diversified communities.

There is now pending before the House of Representatives, after having passed the Senate, a resolution, jointly introduced by Senator NORRIS, of Nebraska, and Representative RANKIN, of Mississippi, authorizing the Federal Power Commission to make an official compilation of electric rates in every community in the United States. The only published information now available with regard to electric rates is the rate book of the Edison Electric Institute, the successor of the National Electric Light Association. This publication, however, covers only 473 communities or less than 3 percent of all those served with electric power. It contains no information regarding charges for electric service in small communities which are notoriously subjected to excessive and unreasonable rates. I have recently examined a partial compilation of the rates charged small communities in one of the

Western States, in which the charges ranged as high as 20 cents and 25 cents per kilowatt-hour. I know personally of communities in the South, located within a few miles of hydroelectric power plants, where the costs are only a few mills a kilowatt-hour, which are paying 12 cents and 15 cents for their electricity.

Not only are the rates in many of these communities obviously excessive but the rate schedules themselves are so complicated that it would require a combination of Einstein and a Philadelphia lawyer to understand them. A recent investigation by one of the large utility companies, which is intelligently attempting to revise its rates to meet present-day standards, disclosed more than 800 separate and distinct electric rate schedules in effect in the territory which it serves in a part of two Middle Western States.

This investigation of electric rates will, I believe, be of the greatest value to the State commissions in their regulation of local rates but it will also benefit the private utility companies in enabling them to work out a rate structure which will be profitable to themselves and highly advantageous to domestic, rural, and small commercial consumers.

For many years the privately owned utilities have mapped out their own course without substantial restraint from any Federal or State authority. This course has been marked by the wreckage of great corporate systems, by the sale of securities which had no substantial value to innocent investors, employees, and consumers, by the imposition of excessive rates which discouraged the use of electricity, and by an attempt to corrupt and control public opinion, which the people of these United States will not tolerate.

We are now embarking upon a new era in which the utility corporations can, if they will, establish for themselves a sounder and more enduring basis of financial prosperity, but in which their performance in terms of rates and service will be measured by the yardstick of public competition, so far as is necessary to insure the supply of electricity required for national development and security and the sale of that electricity at rates which will be fair and reasonable to domestic, rural, and industrial consumers.

PLATFORM OF THE HEARST NEWSPAPERS

MR. SCHALL. Mr. President, I ask leave to insert in the RECORD an editorial from today's Washington Herald, which lays down an excellent Republican platform with which to meet the onslaught of Hitlerism, fascism, and bolshevism in 1934 and 1936. Around this platform should gather the Jeffersonian Democrats and the Lincoln Republicans whose phalanx should far outnumber the present conglomeration of demagogues, State Socialists, Communists, Bolsheviks, and international propagandists with their poisonous doctrines being taught in our schools and all the other "ists", "iks", or "ogues" that now constitute the Democratic Party.

Our virile advocacy and defense of the independence lived and expressed by Jefferson, the father of the Democratic Party, and the identical principles of Abraham Lincoln, founder of the Republican Party, will bring us back to mature leadership, sanity, and constitutional government.

If the purpose of this administration, which may be described as one where "a little child shall lead us", has been, as Dr. Wirt, of Gary, Ind., thinks, to bring us to destruction, turmoil, riot, and revolution, it has been an undeniable success. In July 1933, without the aid of insane doctrines, wheat was bringing $1.20 a bushel; flax, oats, rye, barley, butter, and everything else were in proportion, and recovery would have been inevitable. After 30 days of the N.R.A.—the National Racketeers Association—wheat fell to 85 cents and everything else in proportion.

Building contracts right here in Washington for July 1933 amounted to $990,000; in 30 days under the "national ruin act" they fell to $52,000, and they have been falling ever since. Similar things happened all over the country. No wonder Dr. Wirt says this administration does not want recovery but is purposely planning for consternation, strikes, and turmoil in order that the Government may, through the bewilderment of the people, take over the sovereign power of the people and translate it into a permanent dictatorship through some Stalin, Hitler, or Mussolini.

Instead of the slogan "Roosevelt or destruction" it should read "Roosevelt and destruction."

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

[From the Washington Herald, Mar. 26, 1934]

THE POSITION OF THE HEARST NEWSPAPERS

For the benefit of uninformed Congressmen, it may be stated that the Hearst papers have increased wages and shortened hours in full accordance with every request and requirement of the N.R.A.

But the Hearst papers have gone further, and made increases in wages and decreases in hours in departments which the rules and regulations of the N.R.A. do not affect.

This seemed an equitable thing to do; and although the Hearst papers were not required to do it nor even requested to do it, they have made that voluntary and unsolicited contribution toward the plan and purpose of the N.R.A. recovery program.

Second, the Hearst papers, truly enough, are not altogether Democratic, but neither is the Democratic Party.

Indeed, so far has the Democratic Party of today departed from the principles of its great founder that Thomas Jefferson has been sympathetically referred to as "the forgotten man."

The so-called "Democratic Party" of the present day is a conglomerate party, a composite party, a mixed and mongrel party.

It contains some Democrats and more demagogues, some State Socialists, some Communists, and a sprinkling of Bolsheviks.

The party is mainly a party of malcontents; and if there are any "ists", "iks", or "ogues" in existence not included in the above list of fanatic and fantastic theorists, they doubtless, nevertheless, enjoy adequate representation in the hybrid Democratic Party and find sufficient bond of unity in envious opposition to anybody who possesses anything or who has accomplished anything.

No; the Hearst papers are not Democratic in the narrow party sense, nor again are they Republican.

In fact, they are not party organs of any kind.

They believe in the independence which Jefferson expressed in the great declaration of human rights and liberties which he conceived and which the valor of our fathers wrought into a living force to inspire our people and regenerate the world.

They believe in government by the Constitution of the United States and under the guaranties of liberty and opportunity and impartial justice which that instrument contains.

They do not believe in any radical departure from the spirit of the Constitution.

They do not believe in limitations upon liberty, restrictions upon opportunity, modifications or qualifications of essential justice and equality before the law.

They do not believe in any invasion of the inherent or inherited rights of the free citizens of this Republic.

They believe in American institutions and in the American system of government, which have been tried and proven by the power and by the progress and by the peacefulness and happiness and by the splendid success of this greatest of all nations upon the face of God's globe.

They do not believe in appropriating fragments of impractical policy picked up from the political scrap heaps of alien nations less free, less fortunate, less progressive, and less successful than our own.

They do not believe in so-called "innovations" which are actually as old as the history of human failure.

The Hearst papers believe in the elemental principles of Thomas Jefferson, founder of the Democratic Party, and in the almost identical principles of Abraham Lincoln, disciple of Jefferson and founder of the Republican Party; and the Hearst papers hold as their guiding policy in the honorable practice of the profession of independent journalism Lincoln's injunction to support any man when he is right and oppose him when he is wrong.

If that be party treason, make the most of it.

It is at least loyalty to the best interests of the Nation.

INDEPENDENT OFFICES APPROPRIATIONS

Mr. BYRNES. Mr. President, on last Friday the Senate temporarily laid aside further action on the independent offices appropriation bill, at which time there was pending a motion, which I offered, that the Senate further insist upon its disagreement to the amendments of the House to the amendments of the Senate numbered 14 and 22, and further insist upon its amendment numbered 23. I desire to withdraw that motion. I understand the Senator from Nevada [Mr. McCARRAN] wishes to make a motion to concur in House amendment numbered 14. The Senator from Nevada is now in the chamber, and if he desires to make the motion to concur, I yield to him for that purpose.

Mr. McCARRAN and Mr. ASHURST addressed the Chair.

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

Mr. ASHURST. Will the Senator yield to me for a privileged matter?

Mr. BYRNES. I yield first to the Senator from Nevada; I ask the Senator from Arizona that he kindly wait. The matter now pending is also privileged.

Mr. ASHURST. Very well. I am glad to defer the matter I have in mind.

Mr. McCARRAN. Mr. President, in reference to the independent offices appropriation bill, and as to amendment numbered 14, which is generally known and understood as the "pay restoration" amendment, I now move, sir, that the Senate concur in the House amendment to the amendment of the Senate numbered 14.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada that the Senate

concur in the amendment of the House to the amendment of the Senate numbered 14.

Mr. BYRNES. Mr. President, with reference to the motion of the Senator from Nevada, I desire to say that the House amendment to the Senate amendment numbered 14 is the identical amendment which was reported by the Committee on Appropriations and later was acted upon in the Senate. I drafted the amendment originally, in the hope that it would bring together the varying views upon this question. The House has three times voted upon it. It is my hope that it will be disposed of on the floor of the Senate. If, however, the motion to concur shall not be agreed to, then, it is my purpose to move that the Senate further insist upon its disagreement to the House amendment to the Senate amendment numbered 14. In order that the managers of the conference on the part of the Senate may know the views of the Senate, and know how they may best represent the sentiment of the Senate, I ask for a roll call upon the question of concurring in the House amendment to Senate amendment numbered 14.

Mr. McCARRAN. Mr. President, in presenting this motion in order that my position may be thoroughly understood by those who supported the Senate amendment and also that their position may be thoroughly understood, let me say that I have not relinquished my idea that the best way to support the recovery of the Nation is to give to the laboring classes of the Nation the wherewithal with which to live. Inasmuch as the administration now in control of the Government has asked private industry of every class to increase wages and increase employment, I believed that it was for the best, and I still believe that it is for the best, that the greatest employer of labor in the country should set the example which it sought to have others follow and should put the Federal employees back on a reasonable wage-scale basis, such as they were on before the Economy Act came into existence. I still contend that even putting Federal labor back where it was before the Economy Act went into effect would not enable the employees to meet the inceased cost of living which has come about since that act went into effect and since the new deal began to operate.

But, Mr. President, three times the House has voted on the amendment. The House of Representatives represents the people of the country. Three times by record vote they have gone on record as to the amendment. Three times they have failed to adopt the Senate amendment. In view of all the circumstances, I believe, as I have always believed, that discretion is the better part of valor and that two thirds of a loaf is better than no bread.

The laboring class of America want bread today. They want a living and they should have it. By the Senate amendment we have at least made progress toward the ultimate end we desire to attain—the restoration of a proper pay and compensation for the laborers of the country. By a restoration of 5 percent as of February 1 and a restoration of 5 percent more as of July 1, with the possibility and prevailing hope, as I hold it, that the Executive under the House amendment will see fit to restore the entire 15 percent within the proper time, I am willing to yield in order that those for whom we struggle here may have at least some benefit immediately. In the belief that such benefit will be afforded and in a spirit of fair play and hopefulness that those for whom we struggled will receive the greatest possible advantage within the shortest length of time, I have submitted the motion which I hope will prevail.

Mr. ROBINSON of Indiana. Mr. President, it seems most amazing to me that the administration should insist that employers in industry all over the United States should raise wages and place additional people on the pay roll, and at the same time the same administration should want to grind the Federal employees down to the lowest possible penny.

Of course, I agree with the Senator from Nevada [Mr. McCARRAN] on the proposition that two thirds of a loaf is better than no loaf at all. It may be possible that two thirds of restoration is all that can be gained for the Federal employees at this time. Nevertheless, Mr. President, it seems to me the amendment ought to have gone back to the House and that the Senate should have stood its ground, insisting to the last on full restoration not later than July 1.

The administration is spending billions of dollars without any coordinated audit of any kind. The truth of it is that nobody knows how many people are employed on any of the emergency rolls. But two groups apparently are discriminated against constantly by the administration, one the Federal employees of the United States, and the other the veterans of the United States. Personally, I should much rather have seen the Senate insist on its own amendments to the bill and refuse to make any further concessions whatever to the House.

So far as my own vote is concerned, I shall not yield.

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Nevada.

Mr. ROBINSON of Indiana. I yield.

Mr. McCARRAN. Does the Senator understand that my motion applies only to the amendment numbered 14, which has to do only with the restoration of pay, and does not relate to the veterans matter at all?

Mr. ROBINSON of Indiana. Yes; I understand that. I understand that the amendment dealing with veterans stands on its own bottom; but my own position is that the Senate should insist on its amendment and should insist on complete restoration of pay for Federal employees.

Mr. DICKINSON. Mr. President——

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

Mr. ROBINSON of Indiana. I yield.

Mr. DICKINSON. I wish to make the further suggestion that neither the Senate nor the House has done anything to restore the morale of the Federal employees, because the administration is still imposing upon them all the hobbles with reference to promotions that are automatic and promotions that are administrative. The administration still is preventing the filling of vacancies which would give an employee encouragement. In other words, the administration is doing everything possible against the employee's being encouraged to be an efficient and effective public servant.

Mr. ROBINSON of Indiana. Of course, there is no question about that. The other inconsistency that is inexplainable to me is the demand on the part of the administration that private business enterprises shall raise wages and add additional employees to their pay rolls—and we are all heartily in favor of that wherever it is possible to have it done—while at the same time taking just the opposite attitude toward Government employees.

Mr. DICKINSON. What kind of an eagle does the Senator think a Government employee ought to wear on the lapel of his coat under existing circumstances?

Mr. ROBINSON of Indiana. That is an interesting question.

Mr. BYRNES. Mr. President, because of the statement with reference to the attitude of the administration in this matter, I only want to say that the amendment which I offered in the Committee on Appropriations and which now is the House amendment was drafted by me after consulting only two members of the subcommittee of the Committee on Appropriations. I advised the members of the subcommittee and advised the members of the full committee that it represented my views and only my views.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the motion of the Senator from Nevada [Mr. McCARRAN] to concur in the amendment of the House to the amendment of the Senate numbered 14. On that question the yeas and nays are demanded. Is there a second?

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

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island

[Mr. METCALF]. I understand that if he were present he would vote as I shall vote on this question. Therefore, being at liberty to vote, I vote "yea."

The roll call was concluded.

Mr. ROBINSON of Indiana. I have been requested to announce that if the senior Senator from West Virginia [Mr. HATFIELD] were present he would vote "nay" on this question.

Mr. FESS (after having voted in the affirmative). I have a general pair with the senior Senator from Virginia [Mr. GLASS], who is unavoidably detained from the Senate Chamber; but I am advised that if he were present he would vote as I have voted. Therefore I will allow my vote to stand.

Mr. PATTERSON (after having voted in the negative). I understand that the Senator from New York [Mr. WAGNER] has not yet voted.

The PRESIDING OFFICER. The Senator from New York has not voted.

Mr. PATTERSON. I have a general pair with that Senator, and I shall therefore have to withdraw my vote.

Mr. CUTTING. The senior Senator from Wisconsin [Mr. LA FOLLETTE] is unavoidably detained. If present, he would vote "nay" on this question.

Mr. FLETCHER. I have a general pair with the Senator from West Virginia [Mr. HATFIELD]. I transfer that pair to my colleague [Mr. TRAMMELL], and will vote. I vote "yea."

Mr. McADOO (after having voted in the affirmative). I have a general pair with the senior Senator from Connecticut [Mr. WALCOTT]. When I voted a moment ago I was under the impression that he was present. I transfer that pair to the senior Senator from Virginia [Mr. GLASS], and will allow my vote to stand.

Mr. LEWIS. I desire to announce that the Senator from Alabama [Mr. BLACK], the Senator from New York [Mr. COPELAND], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Florida [Mr. TRAMMELL], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate on official business.

I also desire to announce that the Senator from Iowa [Mr. MURPHY] and the Senator from Massachusetts [Mr. WALSH] are attending an important meeting of the Committee on Education and Labor. If present, these Senators would vote "yea."

The Senator from Utah [Mr. KING] is absent attending a funeral.

Mr. HEBERT. I desire to announce that the Senator from Vermont [Mr. AUSTIN] has a general pair with the Senator from Utah [Mr. KING], and that the Senator from New Hampshire [Mr. KEYES] has a general pair with the Senator from North Carolina [Mr. REYNOLDS].

The Senator from New Hampshire [Mr. KEYES] is detained at a meeting of the National Forest Reservation Commission.

The Senator from Connecticut [Mr. WALCOTT] is also detained in committee.

I also desire to announce the necessary absence of the Senator from South Dakota [Mr. NORBECK]. I am advised that if he were present he would vote "yea."

The result was announced—yeas 59, nays 19, as follows:

YEAS—59

Adams	Clark	Hatch	Pittman
Ashurst	Connally	Hayden	Pope
Bachman	Coolidge	Hebert	Robinson, Ark.
Bailey	Couzens	Kean	Russell
Bankhead	Cutting	Lewis	Sheppard
Barbour	Dieterich	Logan	Smith
Barkley	Dill	Lonergan	Steiwer
Bone	Duffy	McAdoo	Stephens
Brown	Erickson	McCarran	Thomas, Okla.
Bulkley	Fess	McGill	Thomas, Utah
Bulow	Fletcher	McKellar	Thompson
Byrd	Frazier	McNary	Tydings
Byrnes	Gore	Norris	Van Nuys
Capper	Harrison	O'Mahoney	Wheeler
Caraway	Hastings	Overton	

NAYS—19

Borah	Costigan	Dickinson	Gibson
Carey	Davis	George	Goldsborough
Hale	Neely	Schall	Vandenberg
Johnson	Reed	Shipstead	White
Long	Robinson, Ind.	Townsend	

NOT VOTING—18

Austin	Keyes	Norbeck	Wagner
Black	King	Nye	Walcott
Copeland	La Follette	Patterson	Walsh
Glass	Metcalf	Reynolds	
Hatfield	Murphy	Trammell	

So Mr. McCARRAN's motion that the Senate concur in the amendment of the House to the amendment of the Senate no. 14 was agreed to.

Mr. BYRNES. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 22. This amendment comprises the veterans' provision.

I do not intend to discuss this subject, because it has been discussed approximately from February 1, when this bill was first before the Senate Appropriations Committee. It has been discussed in the other House and that body three times has voted upon it. Over the week-end I have read the debates in the House, and I have informally discussed the matter with the managers on the part of the House. They take the position, the House having voted three times, that they are bound by the action of the House, and do not intend to recede in any measure from the House provision.

The Senate has not voted upon the question, and I desire the Senate to act upon it, because, as one of the managers of the conference on the part of the Senate, if the Senate does not wish to concur, and determines that the conferees shall further insist upon the action of the Senate disagreeing to the House amendment, then when we go into conference I am going to stand by the action of the Senate and insist upon its position with reference to this title of the bill. If, on the other hand, the Senate shall concur in the amendment of the House to Senate amendment numbered 22, as it has been three times voted upon by the House, then the appropriation bill will be passed and will go to the White House.

As I say, the question has been before this body and before the other House since February 1. I am anxious to have it disposed of one way or the other. So far as the conferees are concerned, all we wish to know is what the Senate wants to have done with this part of the bill. If the Senate desires to concur in the action of the House, it can vote in favor of the motion to concur. If it does not desire to concur, and wishes the managers on the part of the Senate to continue the deadlock, I want the Senate, by roll call, to say so, and the conferees will do just what the Senate desires.

Mr. CUTTING and Mr. LONG addressed the Chair.

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

Mr. BYRNES. I yield first to the Senator from New Mexico. Then I will yield to the Senator from Louisiana.

Mr. CUTTING. Mr. President, I was wondering whether there was not some other alternative besides the two mentioned by the Senator. Is it necessary for one House to yield in toto to the other, or else to maintain its own position indefinitely? Is not the idea of a conference that when the conferees representing the two Houses get together around the conference table and try to iron out the difficulties, they give and take on questions on which they can give and take? Is not that still possible?

Mr. BYRNES. Yes, Mr. President, the conferees have endeavored to do that. I will say to the Senator from New Mexico, however, that when the conferees on the part of the Senate on the independent offices bill at the last session of Congress receded and so reported to this body, the Senator from New Mexico rather severely criticized them for receding from the position taken by the Senate. Further, when the conferees were appointed upon this bill at this session, the Senator from New Mexico called the attention of the Chair to the statement in the Manual on Conferences with regard to the representation of the majority view. I was simply expressing my own personal opinion that if the amendment shall be sent back to conference—where we have already tried as diligently as any conferees could to bring about an agreement—with a vote of the Senate insisting fur-

ther upon its position, it will be practically impossible to secure an agreement.

Mr. President, the conferees on the part of the Senate did their best to bring about an agreement. In and out of the conference room I certainly have done everything in my power to bring about an agreement upon these controversial legislative proposals and have been doing so since the 1st of February. But now I admit that in recent weeks I have often heard managers on the part of the Senate criticized because the Senate conferees had receded, and I am frank to say that I want the Senate to vote and make known its wishes, and by the vote the managers on the part of the Senate will be guided.

Personally, I hope the Senate will concur. The amendment of the House does not represent my views at all. Nevertheless, I believe this bill should be disposed of, and since I do so believe, and because the House has three times voted upon the amendment and its conferees take the position that they are bound by that action of the House and are not going to recede, I am moving that the Senate concur. I hope the Senate will concur and that the bill will be disposed of.

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

Mr. BYRNES. I yield.

Mr. REED. Does the Senator know that the House, on its last vote, actually voted to accept the Senate amendment, but that the announcement of the vote was delayed for a considerable time—I know this because I was present—and finally one Representative was induced to switch?

Mr. BYRNES. No; the Senator is wrong. I will state to the Senator what did happen. When the conference met I told the conferees representing the Senate that having behind me a vote in the Senate of 65 to 15, it was useless to talk to us about receding; that they would have to go back to the House; that the Representative to whom the Senator from Pennsylvania has referred might again change his mind. They went back to the House, and by a majority of some fifty or sixty the House reiterated the position it had previously taken, and the conferees on the part of the House now say what the Representative from New York, the author of the amendment in dispute [Mr. TABER], said that he could not recall any previous occasion when the House or the Senate had three times voted and gone on record in favor of a proposal when the other House had not voted at all.

Mr. REED. It was evidently the second vote to which I was referring.

Mr. BYRNES. The Senator is referring to that vote, and was confused as to the votes. I took the same view the Senator from Pennsylvania entertains, and because of that the House again voted upon the matter.

Mr. ASHURST. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. ASHURST. Members of the Senate may not discuss or refer in debate to what took place in another branch of the Congress.

The PRESIDING OFFICER. The Chair is unaware of any Senate rule to that effect.

Mr. REED. Mr. President, that certainly would be a novel rule. We may not reflect disparagingly upon proceedings in the other House.

Mr. BYRNES. There has never been any other rule I have heard of in either House of Congress, and I think the Senator from Pennsylvania will agree that stating the fact that a Representative demanded a roll call is not reflecting upon his character in any way.

Mr. REED. Of course, I agree with the Senator as to that.

Mr. CUTTING. Mr. President, will the Senator from South Carolina yield to me?

Mr. BYRNES. I yield.

Mr. CUTTING. Because the Senator sought to state my position a moment ago, I should like to make it plain. On another occasion I did criticize the members of a Senate conference committee for receding completely to the position of the House, and I could have done so in this case, I am free to say to the Senator. But I also criticize members of a conference committee who insist unreasonably on the position of their own body so long as there is a chance of getting an agreement. I have felt, both in this matter and in others, that it might have been possible to obtain an agreement, say, about midway between the position of the Senate and the position of the House. That is what I had hoped would happen. Of course, I admit that we are now faced with a peculiar situation, and perhaps it may be necessary to adopt the course of action which the Senator approves.

Mr. BYRNES. Mr. President, on a former occasion the Senator criticized me, as a manager on the part of the Senate, for receding, and the Senator now frankly admits that, had we insisted, he might possibly have criticized us again. I do not want the Senator to criticize me, I do not like to have him criticize me. But I may be criticized whatever I do. I receded the last time, and he criticized me; and this time I agree, and he criticized me. I want to please him.

Mr. ADAMS. Mr. President, I should like to have the Senator from South Carolina give some detailed explanation of the differences between the two Houses in this matter. They are not clear to me.

Mr. BYRNES. Mr. President, I do hope the Senator will not insist on that, because if there is anything that has been discussed and written about in the newspapers morning, afternoon, and evening, it is the difference between these proposals. I am sure the Senator from Colorado is familiar with the Spanish-American War proposal in the House, and the one the Senate adopted, and also the provision as to presumptives adopted by the Senate and by the House. I hope the Senator will not ask me to go into that, because it would consume too long a time. I ask for a vote.

Mr. STEIWER. Mr. President, I have no desire to detain the Senate with respect to this matter; I lean toward concurrence, although I had hoped that the motion made by the Senator from South Carolina on last Friday or Saturday, to insist upon the Senate's position and to ask for a further conference, would prevail, in the thought that one more effort by the conferees might, in possibility, produce some result more favorable to the position of the Senate than an absolute concurrence. I am being told, however, by Representatives, just as we are told by the Senator from South Carolina, that there is little hope of any accomplishment in conference.

There is one matter to which I call attention. If we are to dispose of this question by voting upon the pending motion to concur, rather than upon the other motion, to send the amendment back to conference, we should consider that the House, in amending the Senate amendment, introduced some little obscurity, and possible inconsistent provisions, in the amendment. That can well be handled by an amendment, and I have had legislative counsel prepare an amendment, and very shortly I will offer it for the consideration of the Senate.

Before I do that, let me state to the Senate that the thing in controversy between the House and the Senate, so far as amendment no. 22 is concerned, is chiefly the difference between 75 percent restoration for certain World War veterans, as passed by the House, and 100 percent restoration as provided by the Senate amendment; and 75 percent restoration in the House provision, as against 90 percent in the Senate, for Spanish-American War veterans. Those are the money differences which affect the big groups.

In addition to that, there were some matters of lesser importance in the Senate amendments which were stricken from the bill by the House. One was a provision restoring a limited number of the emergency retired officers.

Another was a provision which increased the pensions of the widows and dependents of those lost upon the *Akron* and the *Shenandoah*.

Another amendment made by the House was in striking from the Senate language the Borah amendment, affecting the pay of Members of Congress, and of all those whose salaries are in excess of $6,000 a year.

Those are the principal changes made in the House to the Senate amendments to the House bill.

I want at this time to send to the desk the following amendment, which I offer.

The PRESIDING OFFICER. The Senator from Oregon offers a preferential motion to concur with an amendment, which the clerk will report.

The Chief Clerk read as follows:

In section 27 strike out the second proviso.

In section 28 of said amendment strike out the second proviso in the fourth paragraph of section 20 of Public Law No. 78, Seventy-third Congress, as amended by such section, and insert in lieu thereof the following: "*Provided further*, That, subject to the limitations above prescribed, except as to receipt of compensation on March 19, 1933, and notwithstanding the provisions of Public Law No. 2, Seventy-third Congress, or any other law, veterans whose disease, injury, or disability is established on or after this paragraph as amended takes effect as service connected in accordance with the provisions of section 200 of the World War Veterans' Act, 1924, as amended, shall be entitled to receive compensation in accordance with the provisions of such act, as amended, and the rating schedule in effect on March 19, 1933; but veterans whose disease, injury, or disability is reestablished as service connected under such section 200 by section 27 of title III of the Independent Offices Appropriation Act, 1935, shall be paid 75 percent of the compensation under the provisions of the World War Veterans' Act, 1924, as amended, and such rating schedule."

Mr. STEIWER. Mr. President, I ask the attention of Senators for 2 or 3 minutes. I think in that time I can explain the necessity for the amendment.

Those who listened to the reading of the amendment will see that it does not change the percentages. The amendment does not reflect an effort to increase the rate of restoration, upon which the House is insisting. Indeed, it accepts that rate. It therefore will not cost any additional money or increase the cost of the provisions to which the House has already agreed.

The necessity for the amendment grows out of the fact that in the whole amendment which we called the "Byrnes amendment" for convenience while the bill was before the Senate, there are a number of different sections. Among the sections are three that were taken out of the Legion's four-point program, with some slight modification. Two of those three sections became sections 27 and 28 of the bill.

Section 27 deals with entitlement and restores certain World War veterans, chiefly those belonging to the so-called "presumptive group", to the service-connected status enjoyed prior to March 20, 1933.

Section 28 is a protective section. It provides that those veterans so restored, and other World War veterans, should be restored upon a basis of 100 percent of the amount which they had received in compensation prior to the enactment of the economy bill—that is, March 20, 1933.

When the House came to deal with these two amendments they placed at the end of section 27 these words, and I read:

Provided, That the rate to be paid to anyone under this section shall be 75 percent of the amount received by him on March 19, 1933.

In section 28, in which the House made no amendment, we still have the Senate provision that the restoration shall be made upon the basis of 100 percent. And so the two sections are in conflict with each other.

The Veterans' Administration, in its study of this measure after the House amendments had been agreed to, sent a memorandum up to the conferees, and in this memorandum the lawyers of the Veterans' Administration point out this conflict and suggest that it ought to be dealt with or else we will have in one section of the law a provision that the presumptives shall be restored at the rate of 75 percent of their former rate and in the other provision of the law that they shall be restored 100 percent of their former rate.

I consulted the legislative council of the Senate concerning the contention made by the lawyers of the Veterans' Administration and I found that our own legislative council was in agreement with the position taken by the lawyers of the Veterans' Administration.

Therefore, it would seem necessary, in order to make sense out of the amendment, that we adopt an amendment which would remove the conflict.

The drafting room, in preparing the amendment which I have sent to the desk, has sought to cure the conflict by striking the language to which I have referred out of section 27, and placing it, with some modification, in section 28; so that there will be no limitation at all in section 27, and so that in section 28 there will be one consistent provision uncontradicted by any other part of the bill.

In order to make the amendment fit in section 28, the legislative counsel suggested a restatement of the language on page 43 of the bill, commencing in line 8. That restatement does not substantially change or modify the effect of the amendment, but it does make such a change that the language which the House added at the end of section 27 may be incorporated in the amendment without doing violence to any other language; and I call attention in that regard to the end of the amendment which has just been read, wherein it is stated:

But veterans whose disease, injury, or disability is reestablished as service-connected under such section 200 by section 27 of title III of the Independent Offices Appropriation Act, 1935, shall be paid 75 percent of the compensation under the provisions of the World War Veterans' Act, 1924, as amended, and such rating schedule.

In other words, Mr. President, we have taken away the amendment at the end of 27 as placed there by the House, moved it over into a restated proviso in section 28, and there have stated the same identical limitation of 75 percent upon which the House has voted and to which it has agreed upon three successive votes.

I hope, Mr. President, that this amendment may be agreed to; and I will say that, if it is agreed to, so far as I am concerned, I shall not resist the motion made by the Senator from South Carolina [Mr. BYRNES].

Mr. NORRIS. Mr. President——

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

Mr. STEIWER. I yield.

Mr. NORRIS. I should like to get the Senator's idea of just how he can make his amendment apply now. The motion pending is one to recede, as I understand.

Mr. STEIWER. And concur.

Mr. NORRIS. To recede and concur. The Senator is offering this as an amendment?

Mr. STEIWER. Yes, Mr. President.

Mr. NORRIS. I understand.

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from South Carolina?

Mr. STEIWER. I yield.

Mr. BYRNES. As I understand the situation, it is that in section 28 the provision is that there shall be no reduction, and the thought of the Senator from Oregon and the thought of the legislative council is that there will be a conflict of interpretation of that language and the language in section 27, which authorized a reduction to 75 percent, but not below 75 percent. If there was doubt in the mind of the officials interpreting it, and it were construed to be no reduction, then it would be exactly what the Senator has contended for. If, however, they construed it as the language of section 27 justifies, they would construe that it authorized a reduction in those cases to 75 percent. That is the fact?

Mr. STEIWER. I think that is right, Mr. President.

Mr. BYRNES. The Senator wants to have it inserted in order to avoid, if possible, misinterpretations by counsel. I have no objection to it, I admit, except this. The Senator knows that under the rules of the House—they were changed a few years ago—the House conferees cannot agree to the amendment because it is legislation on an appropriation bill, and under their rule they cannot agree in conference but must act upon the amendment on the floor of the House. I am wondering whether the necessity for clarification is so serious in the mind of the Senator as to cause him to believe that it is essential to take the action he proposes, or whether in view of the fact that the second section really authorizes exactly what he wants, he would object to concurring. I

have no serious objection to the amendment, except that when we agree to it and send it to the House, and it gets to the floor of the House, it is again presented for consideration and for amendment.

Mr. STEIWER. I do regard the amendment as of considerable importance. The only means by which the inconsistency in the law as it has come to us from the House could be avoided would be for the attorneys of the Veterans' Administration to say that in section 27 we have one provision, in section 28 another provision, and that because they are in conflict we will interpret the whole law, and will read out of the law the language that is in section 27. That, I think, has been suggested in the Veterans' Administration as a possible solution of this difficulty.

Mr. BYRNES. I would have no objection to supporting a resolution which would clarify the matter, if the Senator should offer it, so as to make the legislation plain, if we could get the bill passed without opening up the whole matter again on the floor of the House. I would be ready to join the Senator in supporting such a resolution.

Mr. STEIWER. Permit me to say that I have talked to a number of the Members of the House, who are very much interested in this legislation, including, I think, two members of the conference committee which represented the House, and I am told by all those with whom I have talked that inasmuch as this amendment does not change the amount and is merely a clarifying amendment, albeit a clarifying amendment of some little importance, they do not anticipate any trouble in obtaining the concurrence of the House with respect to it. I think there will be no great difficulty in that respect.

Mr. BYRNES. No; but the Senator does know that when it is offered it is then open to amendment by any one of the 435 Members on this question.

Mr. STEIWER. I think the Senator correctly states the parliamentary situation, but the House is just as anxious to secure the passage of the bill as we are.

Mr. BYRNES. If the Senator will agree to concur in the resolution, I will assure him of my hearty support of a resolution which would clarify the matter. I will join with him in endeavoring to have such a resolution adopted.

Mr. STEIWER. I am hesitant to decline an offer of that kind. I know it is made in the very best of faith. But the House might not concur in the views of the Senator from South Carolina and myself unless they are brought to them as a part of the bill.

Mr. BYRNES. If the House did not do so then they would not do so now.

Mr. STEIWER. I think the House would do so if it were brought to them as a part of the bill. Let us concur in the amendment to the motion made by the Senator from South Carolina.

Mr. BYRNES. I was making the offer based on the statement of the Senator from Oregon that the House would not object, because it was only for the purpose of clarification. I think the Senator is right so far as this particular amendment is concerned. My only concern is that under their rules it opens up the whole subject for further amendments, and we will have to come back to the Senate for further action on the bill.

Mr. STEIWER. That, I hope, is not going to happen.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon to the House amendment.

Mr. CUTTING. Mr. President, I hope, of course, that the Senator from South Carolina [Mr. BYRNES] will accept the clarifying amendment offered by the Senator from Oregon [Mr. STEIWER]. His acceptance of such an amendment would certainly make the whole situation much clearer in my own mind than it now is.

Mr. President, we have come to the point where it is perfectly clear that the Senate has to yield. Whether it yields today or yields tomorrow or next week is a comparatively unimportant point. I do not think we ought to yield so long as there is any chance of the other House conceding any material point or accepting some such amendment as that offered by the Senator from Oregon which will strengthen the position which the Senate originally adopted in favor of the disabled veterans.

Even if we adopt the amendment of the Senator from Oregon, the fact remains that the Senate has been defeated while standing on grounds which it considered absolutely sound and which have never been opposed on a question of principle by any debater in either House of Congress.

We have been playing our part in a farce.

The whole idea of a conference, Mr. President, between two disagreeing Houses is that the managers on both sides, firmly convinced of the strength of the position taken respectively by the disagreeing Houses, should get together around the table, try to straighten out the differences and endeavor to come to some middle ground which both Houses can accept.

When the present conferees were appointed, I called attention to the rule in the Manual on Conferences that a majority of the managers on each side should represent the prevailing opinion of the House of Congress which they represent. The Senator from Missouri [Mr. CLARK] was at that time in the chair, and I certainly do not blame him for having appointed the conferees whom he did. I think any one of us sitting in the chair considers himself merely a lieutenant for the Vice President, the permanent presiding officer, and naturally acts in questions of appointment along the line which the permanent presiding officer would pursue.

Nevertheless, the fact remains that on this bill there were only two record votes on controversial subjects of major importance. The first one was as to the pay cut. That vote, which took place on February 21, 1934, was carried by a majority of 1—a vote of 41 to 40; and in the minority we find recorded the names of the Senator from South Carolina [Mr. BYRNES], the Senator from Virginia [Mr. GLASS], and the Senator from Georgia [Mr. RUSSELL], all three of whom were appointed as the majority members of the managers of the conference representing the Senate.

The other record vote, on the Steiwer-McCarran amendment concerning the Spanish-American War veterans was taken on February 26, 1934. The vote resulted yeas 51, nays 40, and among the 40 I find the names of the Senator from South Carolina [Mr. BYRNES], the Senator from Virginia [Mr. GLASS], and the Senator from Georgia [Mr. RUSSELL]. It is true that on the final vote on the veterans' amendment the Senator from Georgia [Mr. RUSSELL] voted with a majority of the Senate; but on the actual subjects which were principally in controversy and which were debated on the floor of the Senate it will be found that a majority of the managers of the conference represented the minority opinion of the Senate.

I do not allude to the amendment offered by the Senator from Idaho [Mr. BORAH], because, in the first place, I think it was improperly attached to the veterans' amendment, and, moreover, it does not seem to me to be one of the major subjects which were then in controversy. Still, if anyone should consider it a major subject, it will be found that the same statement applies to the amendment offered by the Senator from Idaho, namely, that a majority of the Senate conferees voted against the amendment offered by the Senator from Idaho, which amendment was adopted by the Senate.

Under those circumstances, Mr. President, what can be said about the system of conferences which we pursue? How can men properly represent an opinion with which they totally and conscientiously disagree? Any criticism which I am offering is not directed at the individuals who represented the Senate. They did merely what has been done from time immemorial, and it would have been strange if they had refused appointment under the circumstances. But I am criticising the system, and I think something has to be done about it before the Senate and House of Representatives may properly function together as concurrent legislative bodies.

I sympathize thoroughly with what the Senator from South Carolina [Mr. BYRNES] said a little while ago. He felt that, being out of sympathy with the majority sentiment of the

Senate, he would be criticised if he yielded to the wishes of the House of Representatives, and so he bent over backwards and insisted that the Senate's position must be maintained without striking out a word or a syllable. To my mind, both these attitudes are equally untenable when trying to iron out a question in conflict between the two Houses of Congress.

Of course there may be certain questions of principle where the Senate is on one side and the House of Representatives is on the other side. Some of these questions cannot be compromised; they have got to be decided yes or no; one House has got to yield. In most of these cases, however, and especially where the question at issue is one of rates or of sums of money, it is perfectly possible for the the two Houses to compromise their differences. That is what I think the system of conferences was meant to promote.

As I understand, the conferees in this case felt bound on the one side and on the other to maintain the position adopted by the respective bodies which had appointed them as conferees. It seems very strange that not only did the Senate conferees represent the minority sentiment of the Senate, but it will be found by looking at the vote taken in the House on March 14, 1934, that when the Taber amendment, which was the prevailing view of the House, was adopted by a vote of 223 to 191, 4 of the 6 conferees representing the House voted with the minority. So we have a situation which seems to me perfectly preposterous. The House conferees are in disagreement with the position of the House and the Senate conferees are in disagreement with the position of the Senate.

I submit, human nature being what it is, that not much benefit can be obtained from a conference conducted by men under such circumstances. And, of course, the result was what might have been expected. The veterans' amendments have gone back to the House three times and the House has turned them down. Once, it is true, they were turned down by a majority of only 1 vote, but a majority of 1, of course, should bind the conferees of the body as much as a majority of a hundred. So, Mr. President, with the situation as it is, I do not believe that we are going to be able to do anything more for the veterans at this time than what is represented by the action of the House of Representatives.

Whether we should yield today or yield tomorrow, I am not prepared to say. In my judgment, it will depend very largely on what happens to the amendment offered now by the Senator from Oregon [Mr. STEIWER].

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Idaho?

Mr. CUTTING. I yield.

Mr. BORAH. As I understand the situation, if we support the motion made by the Senator from South Carolina, we lower the compensation of the veterans and increase our own.

Mr. CUTTING. Mr. President, I think the statement of the Senator from Idaho is correct. It is fair to say again that the House debated at great length the amendment offered by the Senator from Idaho and that there seemed to be very little sentiment over there in favor of it. Eventually we are going to have to yield on that point, I believe. I dislike to argue that particular subject because I voted against the amendment of the Senator from Idaho when it was offered, and therefore I might fail to do it justice; but I think the Senator's statement of the situation is absolutely correct.

Mr. President, the interesting thing to me in the whole debate is that there was not a single argument advanced on the floor of the Senate against the justice of the attitude taken by the Senate. The same thing applies almost literally to the debates in the House, although there were one or two Members who had some minor criticism to make of the Senate amendment. Practically the whole debate in both Houses of Congress has been relative solely to the question of whether or not the President of the United States would sign or veto the bill in one form or another.

To my mind that is a secondary question. I can imagine, if this were the last day of the session and we were going to adjourn, that it might become a debatable point whether a Senator had better vote for something in which he disbelieved rather than have all legislation defeated. But that is not the position which we occupy today. We are going to be in session, I imagine, for a considerable length of time.

Furthermore, so far as the Senate is concerned, the veterans' amendments en bloc were adopted by a vote of 69 to 15 in the Senate, so it is obvious that a Presidential veto would have no effect so far as the Senate is concerned.

It is, of course, inconceivable that any Senator who voted for legislation on the basis of his conscience would thereafter vote against it because someone else might have differing views.

Mr. BARKLEY. Mr. President——

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

Mr. CUTTING. I yield.

Mr. BARKLEY. While it is true that the amendment as finally perfected was adopted on roll call by a vote of 69 to 15, the real test came on the vote on the Steiwer-McCarran amendment.

Mr. CUTTING. That is the vote to which I am referring.

Mr. BARKLEY. Many voted on the final roll call against the Steiwer amendment which was substituted for the Senate provision.

Mr. CUTTING. To what particular amendment is the Senator referring? There were several Steiwer-McCarran amendments.

Mr. BARKLEY. There may have been two or three amendments put in the bill, but I refer to the final vote on the amendment after it was perfected.

Mr. CUTTING. I am referring to the final vote on the Steiwer-McCarran amendment, known now as "Senate amendment numbered 22."

Mr. BARKLEY. Many Senators who voted for that amendment as finally perfected voted against the various amendments that made it up piece by piece.

Mr. CUTTING. Only one of them was adopted by the Senate on a record vote, and that particular amendment will apparently go out now.

Mr. BARKLEY. There was no roll call, I believe, on the veterans' amendments, except the one particularly relating to the Spanish-American War veterans. If I am mistaken about that, I should like to be corrected.

Mr. CUTTING. That is correct.

Mr. BARKLEY. There was no real test in the Senate on the sentiment of the Senate upon the particular amendment that went in to make up and perfect the final amendment.

Mr. CUTTING. I completely disagree with the Senator in that respect. The Byrnes amendment, as amended by the amendments of the Senator from Oregon [Mr. STEIWER] and the Senator from Nevada [Mr. MCCARRAN], with everything in it which is now contained in the so-called "amendment numbered 22", everything that we are now discussing, was adopted by the Senate by a vote of 69 to 15, the Senator from Kentucky voting in the affirmative. Before that vote was taken the Senator from Arkansas [Mr. ROBINSON], the Democratic floor leader, warned Senators that the adoption of the Senate amendment would probably bring a veto. So did several other Senators likewise warn the Senate. I cannot conceive—in fact, I should be violating a rule of the Senate if I even suggested—that any Senator who, after that warning, voted for the amendment would thereafter, after the veto had actually come here, vote against it. In fact, I do not care to pursue any further a slanderous notion of that kind.

But there is something else at stake besides the question of a veto, which I regard as of secondary importance. The important factor is the attitude of the House of Representatives, the coordinate body at the other end of the Capitol.

That body, having all the facts before it, did what I think is very rarely done in that body. It three times took a record vote on the Senate proposals. Those proposals were defeated each time. I disagree with the attitude taken by the House of Representatives. I believe that the original Steiwer-McCarran veterans' amendment was sound in every respect and, so believing, I voted for it. Still, of course, in all legislation the time comes, if there is a diametrical divergence of opinion, when one House or the other has to yield.

I am quite convinced in this case that the Senate is going to have to yield, but I hope that the Senate will yield only after obtaining every inch of ground that it can in favor of the position we adopted by a vote of 69 to 15.

Mr. President, with regard to the vote in the House, I believe that Members who voted attached a great deal of importance to a letter which the legislative vice chairman of the American Legion sent to many Members of the House of Representatives. The letter was signed by John Thomas Taylor, vice president of the legislative committee of the Legion, and I desire to read it:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMITTEE,
Washington, D.C., March 21, 1934.

MY DEAR CONGRESSMAN: Tomorrow, Thursday, you will again vote on the question of sustaining the House amendments to the independent offices bill, or concurring in the Senate amendments thereto.

It is our opinion that if the House recedes and concurs in the Senate amendments relative to World War veterans, the bill that will go to the President will be vetoed, in which event the veterans will obtain nothing by way of legislation.

The House amendments contain substantially three points of the American legion four-point program. A vote for them would at least be an effort to provide relief for the World War disabled which is the object of the American Legion.

We respectfully request that you lend your aid and assistance in seeing that the House insists upon its own amendments relative to World War veterans. We are convinced that if the bill goes to the President with the House amendments it will be signed.

Very truly yours,

JOHN THOMAS TAYLOR,
Vice Chairman National Legislative Committee.

Here we have the legislative committee of the American Legion assuring the Members of the House of Representatives, first, that if they adopt the Senate amendments the bill will be vetoed; second, that if they adopt the House amendments the bill will be signed.

I have no idea what authority the legislative committee of the Legion had for any such statement; and, of course, in the nature of events it will be impossible to prove both those assertions untrue. I disagree with the action taken by Mr. Taylor. I am sure he took it in good faith. Mr. Taylor is my friend. I have worked with him for years, and expect to work with him in the future, I think, however, that he made a mistake when he gave this advice to Members of one of the coordinate branches of Congress, and I think, frankly, the House made a mistake when it followed the suggestions and advice of Colonel Taylor.

Nevertheless, the fact remains the same. The House did adopt that suggestion. The House, no matter what the private beliefs of some of its Members may have been, voted against the Senate amendments; and, as I have said before, sooner or later we shall have to yield to the force of facts.

Whether we yield today or whether we yield tomorrow, I desire to serve notice on the Senate, for my own part, that this fight has just begun; that this is not the end of the fight for justice to the disabled veterans of the World War and of previous wars. The soundness and justice of the presumptive clause which was passed after discussion, but without a record vote, in both Houses of Congress back in 1924 was never disputed for a moment until the past year or so. In 1930, when it was proposed to prolong the presumptive period from 5 years to 10, Mr. Hoover vetoed it on the ground, then first suggested, that to pass such legislation would be a legislative lie. In spite of that statement, reiterated on two consecutive vetoes—one with respect to the Spanish-American veterans and one with respect to the World War veterans—there were only six Members of the Senate of the United States who agreed with Mr. Hoover in his attitude. Sixty-six Members, including every man who then sat on the Democratic side of the aisle, voted against Mr. Hoover and in favor of extending the presumptive period from 5 years to 10.

Now, when it is proposed to preserve for these veterans what they have had by law since 1924, we hear not a word of argument. We hear not a word against the justice of the principle. We merely hear suggestions that somebody else, in some other position, may disagree with us.

Mr. President, these veterans have arranged their lives according to the action of Congress taken in 1924. They have married, they have begotten children, they have made the whole plans for their future existence, confiding in what they believe was a pledge of their Government. Even if the principle was wrong, even if we should criticize the law of 1924 as a historical fact, it remains a fact. That law established the principle under which we have been acting for 10 long years.

Are we going to turn out in the street those men—every one of them helpless, every one of them incapable of earning a living—because of any objection raised at this late hour? I hope not; and I say that regardless of the fate of the legislation which is before us at the moment, regardless of whether the bill goes back to conference or whether we concur in the House amendment at the present time, the fight for justice for these men is going on, and there will continue to be Members of this body who will delight to wage it.

Mr. ROBINSON of Indiana. Mr. President, what is going on now is precisely the carrying on in this Government of a policy that has been continuing since the 4th of last March. The discrimination against the veterans of the United States has been such that the entire country is thoroughly convinced of its unfairness.

The Senate did not do any particular justice to these veterans when it added amendments to the independent offices appropriation bill. True, the Senate amendments were more generous than those suggested by the House, but they fell far short of justice. Now it is proposed that the Senate even withdraw some of the benefits that it had held out toward those who wore the uniform and agree with the House of Representatives in the amendments that have been suggested over there.

I can learn only one reason for this proposal in inquiring around about the matter, and that is that somehow or other somebody has an idea that possibly the President of the United States might veto the bill if it should contain the Senate amendments. Mr. President, that is his responsibility. We have ours here; and it is up to us to do justice to these men who have worn the uniform and to be fair with them, regardless of what the attitude of the President may be. On the other hand, it is suggested that even if the House amendments should be accepted by the Senate and added to the bill, the Chief Executive will veto it.

So I have been unable to find anybody who understands just what is in the President's mind. Accordingly, it seems to me, the sensible thing to do would be to attempt to extend some element of justice to the veterans, who have been kicked around like dogs for the past year, ever since this administration came into power. Let us go ahead and do our job. If the President should veto the bill, let him take the responsibility, and let us then pass the bill over his veto. Let us stand for justice. God knows, the veterans of the United States have had little of it during the past year.

The entire Economy Act, so-called, should be repealed. Every line of it should be repealed, and some of us have tried to have it repealed in toto during this session, but we have not been able to get enough support to have it done. We will never rest content, however, until we shall have wiped that blot off the escutcheon of the United States. Ultimately it will have to go, every bit of it.

Of course, I cannot agree to concur in the House amendments. We have spent untold billions of dollars here during the past year in an orgy of extravagance such as the world never has seen before, and yet we kick the veterans

out of the hospitals as if they were dogs. Now, when it comes to a few dollars that may represent the difference between living with some degree of comfort and actual starvation, we undertake to yield to the House with amendments that are positively inadequate so far as the veterans are concerned.

Mr. President, as I see the matter, I agree with the Senator from New Mexico [Mr. CUTTING], at least to this extent: The battle has just begun. We propose to press the fight until the veterans of the United States have some degree of justice from the Government which they served and for which they sacrificed.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. OVERTON in the chair). The Senator will state it.

Mr. VANDENBERG. Is the pending vote upon the Steiwer motion to concur with an amendment the final vote, or is it exclusively a vote upon the Steiwer amendment?

The PRESIDING OFFICER. The vote will be upon the Steiwer amendment.

Mr. VANDENBERG. Will there be subsequently an independent vote on a motion to concur?

The PRESIDING OFFICER. After that will come a vote on the motion to concur in the amendment as amended.

Mr. WALSH. Mr. President, I should like to ask the Senator from South Carolina [Mr. BYRNES] a question. Do I understand the Senator's position to be that he personally does not approve the amendments adopted by the House relating to veterans?

Mr. BYRNES. No; I do not.

Mr. WALSH. But the Senator is advocating concurrence of the Senate in the House proposal as the most satisfactory way of ending the disputes over veterans' legislation that have taken place between the two branches of the Government.

Mr. BYRNES. That is the statement I have made.

Mr. WALSH. Personally, I shall support the position taken by the Senator from South Carolina, but for the reason that I favor the House amendments and hope that they may become law. The amendments adopted by the House, I understand, embody the American Legion program and also appear to be a satisfactory adjustment of the dispute between the Executive and the Congress as to the rate upon which Spanish War veterans are to be restored to the pension lists. It was apparent that the Senate amendments would never be approved by the Executive, especially after the Senate fixed the limit of 90 percent upon Spanish War pensions and when the President conceded 75 percent to those who appealed to him and also by adding without a record vote many amendments that exceed the demands of veterans' organizations.

I believe the American Legion program, as finally presented to the Congress, was fair and reasonable. It dealt only with actually disabled veterans. In my opinion, every doubt, where a veteran is actually disabled, ought to be resolved in favor of the veterans. I favored the amendment offered that would accomplish this end when this bill was before the Senate, but unfortunately the Senate loaded the bill with other blanket amendments which it was evident the President would not accept.

The Senate, by its avalanche of amendments, regardless of merit under existing economic conditions, put itself in the position where the President could charge it with sending him a bill for approval that put willful-misconduct veterans, after-war veterans, high-salaried veterans with nonservice-connected disabilities, and remarried widows of veterans back on the pension roll, in addition to returning to the pension roll between two and three thousand emergency officers at rates ranging from $106 to $416 a month, each based upon the same disability that an enlisted man receives $30 a month for, and which they would receive without this law. We will be doing the veterans of this country a disservice when we place back into the hands of their enemies the same weapons or some cases to destroy them with before the American people that they had before the enactment of the Economy Act in March 1933. My belief is that a real friend of the veterans should want to put back as many deserving and meritorious cases as possible, and not only make no effort to restore undeserving cases or grant special and unwarranted benefits to any veterans but should assist in purging the pension rolls of all cases that should not be on it.

Since the Senate amendments went to the House, the House has eliminated some of the Senate amendments that exceeded the requests of veteran organizations and retained the presumptive principle of giving compensation to veterans actually disabled. The these reasons I favor concurring in the House amendments.

Mr. STEIWER. Mr. President, earlier in the debate I attempted to state the attitude of the legal division of the Veterans' Administration in the interpretation made of sections 27 and 28 of the bill. I think there is no controversy upon the subject, but in order that the RECORD may show exactly what was said in the analysis made by the Veterans' Administration, I want to read a brief paragraph from the memorandum which they submitted to the Chairman of the Committee on Appropriations. The part I read relates to section 28, which is the section making complete restoration of the compensation payments to certain types of veterans. I mention that, because it is necessary to bear in mind that they are talking about section 28 in order to understand the paragraph which I now read:

> The House of Representatives approved this section as written without amendment, but in view of the limitation of 75 percent of payments in cases where service connection was severed under Public, No. 2, or Public, No. 78, and restored the amendment, contained in section 27 of this title, the question is raised as to the interpretation to be placed upon this particular section. It is believed that clarification will be necessary as under this section no reductions are authorized in such cases.

Mr. President, I have one other matter to which I should like to make brief reference, and with respect to which I invite the attention of the Senator from South Carolina. He made the statement that he had no objection to the clarifying amendment which I had offered, except by reason of the parliamentary situation in the House of Representatives. As I understood his contention, it was to the effect that if the Senate agreed to the amendment which is now pending, because it is in the nature of an amendment on an appropriation bill, when it went back to the House of Representatives it would be open to further amendment, and therefore possibly to prolonged delay.

I always like to agree with the Senator from South Carolina and to accommodate him, because he is always so accommodating to me, and therefore, acting strictly upon impulse, and without consideration, I agreed with him, and stated that I thought his position so taken was correct.

On reflection, it seems to me that we were both in error. The situation, Senators will observe, is this: The House passed the independent offices appropriation bill, the Senate placed an amendment upon the bill, the House then amended the amendment, and we now propose to amend the amendment of the House. This amendment is in order, because not in the third degree, but any other or further amendment would be out of order in either body. I think there can be no controversy of that proposition, and to make sure that my opinion was reasonably correct, I consulted the Senator from Missouri [Mr. CLARK], who was in the chair at the time, and he coincided in my view. Our own parliamentarian, without claiming to be an authority on the House rules, also coincided with my view.

I have here the House Manual, and from it let me read just one paragraph, which I think makes the situation clear. I read:

> A bill originating in one House is passed by the other with an amendment.
>
> The originating House agrees to their amendment with an amendment. The other may agree to their amendment with an amendment, that being only in the second and not the third degree; for, as to the amending House, the first amendment with which they passed the bill is a part of its text. It is the only text they have agreed to. The amendment to that text by the originating House therefore is only in the first degree, and the

amendment to that again by the amending House is only in the second, to wit, an amendment to an amendment, and so admissible.

Mr. President, the offer now made is of an amendment to the amendment. It is admissible, but it is the last amendment which can be made.

If I am right in this—and I appeal to the good judgment of the Senator from South Carolina, now that his attention is directed to it—the suggestion made by the Senator is not in point. The only suggestion he made, therefore, no longer is to be considered, and this amendment offered by me will stand before the Senate without valid objection.

Mr. BORAH. Mr. President, we are proceeding under a unanimous-consent agreement, in accordance with which there is to be a limitation of debate on the Bankhead bill at 4 o'clock. We have now consumed nearly 2 hours of the time. I wonder whether it would not be possible to have an agreement that the unanimous-consent agreement entered into on Saturday to limit debate upon the Bankhead bill be modified. I do not desire to delay action on the pending question, nor do I desire to limit debate upon it.

Mr. McNARY. Mr. President, the agreement entered into Saturday, late in the afternoon, was in pursuance of a proposal I made, that we limit debate on the Bankhead bill at 4 o'clock today.

Mr. BORAH. That is as I understood.

Mr. McNARY. In view of the absence of the Senator having the cotton bill in charge, as well as in the absence of the Democratic leader, I think we should have a quorum called. I am heartily in accord with the general purpose of the suggestion made by the Senator from Idaho.

Mr. BORAH. Instead of calling a quorum, suppose we wait for a while. Perhaps the Democratic leader will be in the Chamber in a few moments.

Mr. BYRNES. Mr. President, I think the Senator's suggestion is apt. The Senator from Arkansas will probably be in the Chamber in a few moments, and can respond to the suggestion of the Senator from Idaho.

Mr. McCARRAN. Mr. President, addressing myself to the amendment now pending, offered by the Senator from Oregon [Mr. STEIWER], and addressing myself to the subject generally, I believe that the amendment offered by the Senator from Oregon is entirely and positively essential. I believe it is essential in order that the will of the House of Representatives may be carried out, if for no other reason, because it is undoubtedly an amendment inserted out of place, and the amendment of the Senator from Oregon is a clarifying amendment, which will carry out the spirit and will of those who offer it. Enough of that.

Now, addressing myself to the primary subject, the life of a nation, regardless of its condition, depends upon its militant forces. It makes no difference how we may adhere to pacifism, it makes no difference how we may love peace, from time immemorial the armies of a nation have been its backbone, and the militant forces of a nation spell its history. The armies of the United States have written the history of this country.

Mr. President, a nation lives in its militant forces in three distinct stages. The first is preparation for defense, in which those of us who believe in a virile national life are always interested. I should like to see the navy of this country carry the flag of the United States into foreign waters where it might be loved, where other flags were only feared. I should like to see a standing army of reasonable strength, so that nations might look upon us with a degree of respect. That is enough for preparation.

Then, when the hour of war comes, every sinew and every muscle of a nation is strained, and no one questions that there is one thing all desire; namely, to win the war. Everything is conscripted so that the war shall be won. Whether right or wrong, we are then in the battle, and we propose to win.

Then comes the third stage, the stage which looks back on those who won the war, looks back upon them with an eye of consolation, in the first place, and an eye of gratitude in the second, always looking to the future, because how will we build the army of tomorrow save and except by our example and precept set as to the army of yesterday? If we are to forget those who bared their breasts to the foe during the World War and during the Spanish-American War, what are we to say to those whom we would call to war tomorrow, if war should come? Are we going to say to them, "We have set the example for you; we have forgotten your brothers who bore arms in our defense from 1917 to 1919; we have cast them out of beds which Government money provided in order that they might be cared for; we have thrown them out on the street, and we have said to communities, 'You will bear the burden of these afflicted men, although they became afflicted because they responded to the Nation's call?'"

I say that by the care we give to the army of yesterday we may call with confidence on the army of tomorrow. If Senators do not think there will be an army of tomorrow, then those who believe in Sacred Writ should remember that the Nazarene said there will be "wars and rumors of wars" until the end of time. So the army of tomorrow is the thing we may think of, and national integrity and national destiny are in our hands today.

Why have we struggled here during the special session and during the present session to take care of the veterans of former wars? When I say "take care of the veterans of former wars" I have reference to those wars which are within our own recollection and some which are not within our recollection. If there ever was a class of soldiers that gave their all to our Nation in her hour of need, it was the class of soldiers that went into the Spanish-American War. If there ever were soldiers who were mistreated by a Nation, it was the soldiers of the Spanish-American War, because they went into the Army at a time when we were not prepared for war, and they went into it at a time when our Nation was calling for volunteers, and the red blood of America was ready to go, even though the hardship in itself was sufficient to take life.

Some of those soldiers never gained the dignity of a battlefield, but they went into camps that were unprepared for their reception; they were compelled to endure climatic conditions which were not at all conducive to their welfare or to their health, and they left behind them the virility of youth and manhood, and many of them, thousands of them, came back broken wrecks, glad to get out of the service, not waiting to be examined, never caring what would happen to them; they only saw the future and went on.

When we compare the system of examination of the discharged soldier of the Spanish-American War with the system of examination, in all its detail, that was resorted to when the soldiers of the World War went out of the service, we will see that the Spanish-American War veteran had no consideration whatever given him. He simply went out of the service. He thought he was healthy, although he had gone through pestilence-ridden camps, had gone into foreign fields, had battled against foreign foes, and had inherited the ills that come from such conditions.

For those veterans of foreign wars we have here struggled. We asked for a restoration of 90 percent. That was the amendment that was adopted by the Senate. It went over to the House of Representatives, and by three record votes they refused to adopted our amendment. They did adopt an amendment of 75 percent.

At least we have made progress. At least we have done something for that particular class of veterans.

Then we come to the World War veteran, and I want to say to those who were so kind as to adhere to my views during the time when the amendments were pending in the Senate, that my one consolation is that we have made progress for the soldiers of the past wars. We have gained for them some solace, some relief, some advantage. The battle is only in the making, for tomorrow we will carry it on again. But the Steiwer amendment now offered to the House amendment is entirely essential for the purpose of clarification, and I ask those who are interested in this matter to stand together and vote for the Steiwer amendment so that the whole situation may be clarified, and the

House amendment, with the clarification, may become law, as I hope it will.

Mr. BONE. Mr. President, in view of the very aggressive and very vigorous and able fight made by the Senator from Oregon [Mr. STEIWER] and the Senator from New Mexico [Mr. CUTTING] in the last session and also in this session, and their very wide knowledge of veterans' problems, I will ask, if I may, a question of the Senator from Oregon, because it is a matter of intense interest to myself and my colleague [Mr. DILL]. I should like to ask the Senator from Oregon if he sincerely believes that the bill in its present form, as amended by the House, is the best that we can hope to put through the present Congress for the veterans of the United States? If the Senator would frankly answer that I should be very happy.

Mr. STEIWER. Mr. President, of course the attitude that might be taken by the House under every conceivable kind of condition is merely a matter of speculation and judgment. But to answer the Senator's question, I do believe that we will gain more for the veterans, and come nearer to accomplishing justice, by concurring with the amendment at this time than we would by prolonging the struggle. The House has three times voted on this proposition. Their last vote demonstrated a stronger sentiment to remain adamant than their earlier vote, and it would seem that nothing could be gained by prolonging the struggle at this time.

I ought to say in fairness to myself rather than in answer to the Senator's question that I am not satisfied with the attitude which the House of Representatives has taken. I am not satisfied with respect to the Spanish-American War veterans, in cutting the restoration down to 75 percent, and particularly in excluding from the restored class that great group of nonparticipating veterans who enlisted after August 12, 1898. I think we are working an injustice upon that great group. But in the face of the possibility of veto, in the face of the attitude of the House, I have reached the conclusion that it is better for us to concur, in the knowledge, of course, that concurrence would pass the bill, and in the hope that it might avoid a veto, and in the further hope that if there is a veto we would feel that there was some chance of passing the bill over the veto.

I feel sure that if we adhere to the Senate's position we should have no chance at all of passing the bill over a veto, and all the effort that has been made in behalf of the worthy veterans who are covered by this act would go for nothing.

Mr. BONE. Mr. President, I thank the Senator for his statement.

Mr. WALSH. Mr. President, like many other Senators I have had a large number of requests from veterans' organizations and others to define my position on the bonus and on veterans' legislation in general.

A few days ago I drafted a statement for the press setting forth my views, and I now ask that that statement be printed in the RECORD in connection with this debate.

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

The statement referred to is as follows:

The question of the payment in cash of the adjusted-compensation certificates held by veterans is once again before Congress, and many appeals for it that grip my sympathies are constantly urged. It includes paying 10 years' interest not yet due upon certificates not payable until 1945. The cash payment at this time is opposed by President Roosevelt, as it was by his Republican predecessors.

I urged and voted for outright and immediate cash settlement of the bonus when Congress first dealt with the matter. Thereafter and prior to the 1929 collapse I continued to favor cash settlement and so voted at every opportunity. Now, unfortunately, new obstacles exist which cannot be waived aside without serious consequences to the whole country.

With the prostration of industry, the tremendously diminished Government tax revenues, the huge deficits in the Federal Treasury which 1 year ago was imperiling our national solvency, the laying upon the Treasury the requirement to procure funds to pay immediately in cash $2,000,000,000 or more of certificates 10 or more years in advance of their maturity date became a very different matter.

Against the dictates of my personal desires, which have prompted me until this depression overtook us to support whole-heartedly the most liberal and generous benefits requested by the veterans and their organizations, I have felt, and still feel, constrained to heed the warnings of the Treasury that the payment of a cash bonus at this time would greatly jeopardize the Government's finances and its credit—the very foundation of any national economy recovery.

If it could be definitely asserted that the depths of the depression had been reached and we were on the upturn, we might be able to defend this expenditure in view of the distressed condition of many veterans. But the depression is far indeed from being over. It is believed by many that were it not for the vast Government expenditures, reaching billions, of borrowed money during the past year, we would have had more distress and suffering than in any period since the depression began. Neither can I agree that because we have borrowed billions for relief of one kind or another we should borrow this two billion.

What the future presents in relieving the vast army of unemployed, and the necessity of relief not only to veterans and their families but also to from 10 to 25 percent of the people, who are in actual want and through no fault of their own are and will be for a long time to come dependent upon the Public Treasury for food, clothing, and shelter, cannot be foreseen. As recent as last November one agency of the Government estimated that there were 5,000,000 destitute children in the country.

One need not be an alarmist to assert that he who dares suggest the year when these vast expenditures of a primary obligation will end would be a reckless prophet. We spent billions of dollars last year for relief of various kinds. Some of this money went directly—more of it indirectly—to bonus-certificate holders and their families and millions of other unemployed citizens. The same amounts of even more may be required for several years to come to protect the homes and savings of our people and to succor those in want and to keep many in private industry employed through Government aid of various kinds.

There is a limit to what the Government can borrow. It is my personal view we are well up to that limit now. Yet the starving, the homeless, the sick and disabled, and all those who are unable to care for themselves must be sustained and cared for at whatever cost. This must always be our first consideration.

I have for some time been convinced that the one absolute necessity above all others in importance to assure future recovery was to wall in the Treasury and credit of the country so that it would not become engulfed in the maelstrom of this depression. Many who have given this problem special and careful consideration believe that this is a weakness in our present program of recovery; namely, that the Treasury is not being sufficiently guarded. All must agree that if conditions get worse the one, indeed the only, prop upon which to rebuild is an unimpaired public credit.

I cannot be a party, whatever the political consequences may be, to blocking the fundamental recovery program of the President by financially impairing the credit of the country upon which he must almost entirely depend. He says the payment of this large sum of money under present conditions would be a serious impediment to his efforts. He is our Commander in Chief in this battle against a depression that is defying all human agencies successfully to combat. Whatever differences we may have over minor expenditures and policies, I cannot forsake the trench in which he is now fighting by authorizing a payment not yet due from the Public Treasury of such vast proportions which he says cannot be undertaken without defeating his efforts for recovery.

When and if our President gives to Congress his assurance that the bonus certificates can be paid in cash without peril to the Treasury and that he favors their payment, I shall be only too happy so to vote.

The payment of the bonus stands on a very different footing from the questions involved with reference to our treatment of and our obligations to those of our Spanish and World War veterans who are sick or disabled. Their just claims for compensation, for hospitalization, for pensions, and for the support of their dependents ought not to be denied or postponed, even though some percentage reductions may be necessary.

I have always stood for the liberal recognition of these claims. I have been against any policy which sought to impose technical barriers against their recognition. Better that some unworthy claims be paid than that one worthy claimant be refused.

The Economy Act of last year worked much injustice upon disabled veterans. Congress and the President have made several efforts and are now doing their best to correct these injustices and to restore, so far as practicable, the pensions and compensation to their former level. It has been a situation where there was grave risk that the consequence of going too far in that direction might be no restoration at all.

The program of the American Legion as finally presented to Congress at this session is in large measure eminently fair and reasonable. I have given and will continue to give it my support. It deals only with actually disabled veterans. In determining the question of whether a disability is of service origin every doubt should be resolved in favor of the veteran. That ought to be our firm policy in dealing with compensation claims. To whatever extent it is necessary to write it into the law to accomplish that end I shall lend my aid.

Mr. LONG. Mr. President, I shall vote for the amendment of the Senator from Oregon [Mr. STEIWER] to the motion to concur in the House amendment, but I am going to vote against concurring in the House amendment, although I know that amendment is going to be adopted, and that it

is, in the opinion of many, expedient to accept it. I cannot gain my own consent, Mr. President, by reason of what appear to be some of the necessities, to place my vote on record to decrease the allotment that the soldiers had before the passage of the Economy Act. I do not care to have my vote go on record, regardless of any apparent necessity to decrease what was being allowed to the soldiers under the Republican administration before the Democratic Party came into power.

I send to the desk an editorial appearing in the Harrisburg Morning Telegraph, of Harrisburg, Pa., entitled "Circulators", as well as an article appearing in the Harrisburg Telegraph entitled "Business and the Bonus", and ask to have them printed in the RECORD in connection with my remarks.

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

The newspaper editorial and article are as follows:

[From the Harrisburg Morning Telegraph]

CIRCULATORS

At least one merchant of Harrisburg proved the bonus paid by the State to her soldier veterans would soon find its way into the channels of trade. His store was crowded; almost a hundred chairs of his shoe store being occupied by customers at one time. This merchant has no doubt of the immediate substantial effect on business of a revision of compensation for the veterans of Pennsylvania. And thousands more checks are still to come.

[From the Harrisburg Telegraph, Harrisburg, Pa., Monday, Mar. 19, 1934]

BUSINESS AND THE BONUS

Harrisburg shops and larger stores have no reason to doubt the material results of the soldiers' bonus distribution which found its way into the streams of trade almost immediately following the issue of several thousand checks of the Commonwealth of Pennsylvania. One shoe merchant's experience will illustrate.

C. B. Rodney, the Walnut Street shoe dealer, asked the effect of the bonus on his business, replied:

"I did a larger volume of trade on Friday morning than on the whole day of the Saturday previous. Customers crowded the store and bought freely. We have more than 90 chairs, and at one time every one was occupied by a customer. One buyer selected three pairs of the better grade shoes."

Mr. Rodney also mentioned the large bills that came with the bonus rush and the unexpected difficulty in changing these large notes, many being of the $50 denomination. Mr. Rodney said further: "I observed to one veteran the rather unusual size of the notes and he laughed with the remark that it also had been a long time since he saw a $50 bill."

Mr. GLASS. Mr. President, as Chairman of the Appropriations Committee of the Senate, I was opposed to the amendments to the independent offices appropriation bill adopted by the Senate. I am in lesser degree opposed to the amendments adopted by the House of Representatives, and I shall, therefore, vote against the motion to concur in the House amendment to the Senate amendment, although I frankly state that I think that is the speediest way to determine this question. The bill will then go to the President, and we shall see what the President will do about it.

Mr. BYRNES. Mr. President, this morning, when the Senator from Oregon [Mr. STEIWER] presented his amendment, I said I had no objection to the amendment itself, inasmuch as it had for its purpose clarifying inconsistent language, and that I objected only because I believed that under the rules of the other House it would be open to amendment there and thus the discussion and controversy with reference to this bill would further be prolonged. The Senator from Oregon at that time was disposed to agree with me in the statement I made as to the rules of the other House. He has since investigated the matter, and I have also investigated it; and, if the statement of the Senator from Oregon is correct, the amendment would be in the third degree and would therefore not be open to amendment. So, even though it may prolong for some time the consideration of this bill, I have no objection to the amendment of the Senator from Oregon. There will not be the possibility of offering amendments to that amendment when the action of the Senate shall be reported to the other House, and the possibility of such further amendment, as I stated this morning, was my objection to it.

Mr. President, while making that statement, as I am on my feet, I simply want to add a few words with reference to what has been stated by the Senator from New Mexico [Mr. CUTTING] as to the conference. I would not prolong a discussion with him on that subject, particularly when he states that the criticism is as to the system, but I want the record to show that, so far as the system is concerned, the Senator could have no complaint to make on the pending measure, inasmuch as the Senate conferees have not receded from a single amendment that was added to the bill by the Senate. On the contrary, in the conference report which has been adopted, the House conferees receded on every amendment; and, as to these legislative proposals, the Senate conferees have not receded but have come back to the Senate to let the Senate act. I hope the motion to concur will be adopted.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the amendment of the Senator from Oregon [Mr. STEIWER] to the amendment of the House to the amendment of the Senate numbered 22.

The amendment to the amendment of the House to the amendment of the Senate no. 22 was agreed to.

The PRESIDING OFFICER. The question is now on concurring in the House amendment as amended to Senate amendment numbered 22.

Mr. McNARY. Mr. President, several Senators are absent, and, as they desire to be present, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Oregon suggests the absence of a quorum, and the clerk will call the roll.

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

Adams	Costigan	Johnson	Robinson, Ark.
Ashurst	Couzens	Kean	Robinson, Ind.
Austin	Cutting	Keyes	Russell
Bachman	Davis	La Follette	Schall
Bailey	Dickinson	Lewis	Sheppard
Bankhead	Dieterich	Logan	Shipstead
Barbour	Dill	Lonergan	Smith
Barkley	Duffy	Long	Steiwer
Black	Erickson	McAdoo	Stephens
Bone	Fess	McCarran	Thomas, Okla.
Borah	Fletcher	McGill	Thomas, Utah
Brown	Frazier	McKellar	Thompson
Bulkley	George	McNary	Townsend
Bulow	Gibson	Murphy	Vandenberg
Byrd	Glass	Neely	Van Nuys
Byrnes	Goldsborough	Norris	Wagner
Capper	Gore	O'Mahoney	Walcott
Caraway	Hale	Overton	Walsh
Carey	Hastings	Patterson	Wheeler
Clark	Hatch	Pittman	White
Connally	Hatfield	Pope	
Coolidge	Hayden	Reed	
Copeland	Hebert	Reynolds	

Mr. LEWIS. I desire to announce that the Senator from Utah [Mr. KING] is necessarily absent from the Senate in attendance upon a funeral.

I further desire to announce that the Senator from Florida [Mr. TRAMMELL] and the Senator from Maryland [Mr. TYDINGS] are necessarily detained from the Senate.

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

Mr. WALSH. Mr. President, on a vote of this importance, I think we should have a roll call, and I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina [Mr. BYRNES] to concur in the amendment of the House as amended to the amendment of the Senate numbered 22, on which the yeas and nays are demanded.

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

Mr. FRAZIER (when Mr. NYE's name was called). My colleague the junior Senator from North Dakota [Mr. NYE] is unavoidably absent. If present, he would vote "nay."

The roll call was concluded.

Mr. LEWIS. I announce the absence of the Senator from Maryland [Mr. TYDINGS] on official business. He is paired with the Senator from Rhode Island [Mr. METCALF]. I am

authorized to say that, were the Senator from Maryland [Mr. TYDINGS] present, he would vote "yea."

I also announce that the Senator from Mississippi [Mr. HARRISON] and the Senator from Florida [Mr. TRAMMELL] are detained on official business, and that the Senator from Utah [Mr. KING] is absent in attendance upon a funeral.

Mr. FLETCHER. I have a general pair with the Senator from West Virignia [Mr. HATFIELD]. I transfer that pair to my colleague the junior Senator from Florida [Mr. TRAMMELL] and vote "yea."

Mr. ROBINSON of Indiana. I am authorized to announce that if the senior Senator from West Virginia [Mr. HATFIELD] were present he would vote "nay." He is detained from the Senate by illness.

Mr. McNARY (after having voted in the negative). I have a general pair with the senior Senator from Mississippi [Mr. HARRISON] who, I am informed, is absent on official business. Therefore I withdraw my vote.

Mr. HEBERT. My colleague the senior Senator from Rhode Island [Mr. METCALF] is necessarily absent. I am authorized to say that if he were present he would vote "nay" on this question.

I desire to announce the pair of the Senator from North Dakota [Mr. NYE] with the Senator from Utah [Mr. KING]. If present, the Senator from North Dakota would vote "nay", and the Senator from Utah would vote "yea."

The result was announced—yeas 48, nays 39, as follows:

YEAS—48

Adams	Connally	Logan	Robinson, Ark.
Bachman	Coolidge	Lonergan	Russell
Bailey	Couzens	McAdoo	Sheppard
Bankhead	Dieterich	McCarran	Smith
Barkley	Duffy	McGill	Steiwer
Black	Erickson	McKellar	Stephens
Brown	Fletcher	Murphy	Thomas, Okla.
Bulkley	Gore	O'Mahoney	Thomas, Utah
Bulow	Hatch	Pittman	Thompson
Byrnes	Hayden	Pope	Van Nuys
Caraway	Keyes	Reed	Wagner
Clark	Lewis	Reynolds	Walsh

NAYS—39

Ashurst	Cutting	Hale	Patterson
Austin	Davis	Hastings	Robinson, Ind.
Barbour	Dickinson	Hebert	Schall
Bone	Dill	Johnson	Shipstead
Borah	Fess	Kean	Townsend
Byrd	Frazier	La Follette	Vandenberg
Capper	George	Long	Walcott
Carey	Gibson	Neely	Wheeler
Copeland	Glass	Norris	White
Costigan	Goldsborough	Overton	

NOT VOTING—9

Harrison	McNary	Norbeck	Trammell
Hatfield	Metcalf	Nye	Tydings
King			

So the motion of Mr. BYRNES to concur in the amendment of the House, as amended, to Senate amendment no. 22 was agreed to.

Mr. BYRNES. Mr. President, there is still a controversy between the two Houses on one other amendment, no. 23. It has reference only to a section number. Inasmuch as the matter must go back to the House because of the Steiwer amendment to the House amendment, I move that the Senate further insist upon its amendment numbered 23.

The motion was agreed to.

Mr. REED. Mr. President, I was necessarily called from the Chamber at the time the roll call was ordered upon the amendment just adopted. I did not have an opportunity before the vote was taken to explain the reason which impelled me to vote for the motion of the Senator from South Carolina [Mr. BYRNES]. I think it is only justice to myself and those who feel as I do that the explanation should now be made.

I was impelled so to vote because of the realization that insistence upon the Senate amendment, even if we were victorious over the House of Representatives, would lead us straight into a veto. I have been told that the veto message had already been written, based upon the ground that the Senate had made an inadvertent mistake in extending the benefits to the so-called "misconduct" cases. None of us was conscious that that was the effect of the Senate amendment at the time we adopted it, but undoubtedly it would be so construed, and a veto based upon that ground would undoubtedly be sustained.

For that reason the officials of the Veterans' associations asked us to vote for concurrence in the House amendment. I think it only fair for those of us who voted for the motion of the Senator from South Carolina to have it distinctly understood by the veterans themselves that their representatives here have urged that action upon us. That appears by a letter already in the CONGRESSIONAL RECORD from the legislative representative of the American Legion. It is also the opinion of other veterans' representatives with whom we have consulted in recent hours. It does not involve any surrender of our opinion that the purpose of the Steiwer-McCarran amendment was a just purpose; and I think I speak the thought of the Senator from Oregon [Mr. STEIWER] as well as my own when I say that the best interests of the veterans were subserved by an affirmative vote on this motion.

Mr. CUTTING. Mr. President——

Mr. REED. I yield to the Senator from New Mexico.

Mr. CUTTING. I certainly am not criticizing the way the Senator voted. I think it was extremely doubtful which way one should vote under the circumstances, as I tried to say a little while ago. If we had not yielded today, we should have had to yield tomorrow; but I wonder whether the Senator's position is well taken insofar as he bases our reasons for voting on the desires of the legislative committee of the American Legion. I understand there are a number of other veterans' organizations which have been consistently opposed to the House amendments. Furthermore, does not the Senator think there were a great many Members of Congress on both sides of the Capitol who were quite as well able to form their own judgments as to what may be the best thing to do for the veterans at some particular stage of the procedure as is the legislative committee of the American Legion?

Mr. REED. Oh, I think so and I do not think they ought to control our votes by any means; but this was an embarrassing vote, because a vote either "yea" or "nay" was easily susceptible of misunderstanding.

Mr. CUTTING. I admit that very frankly.

Mr. REED. And I know that the Senator from New Mexico, whose friendliness for the disabled veteran has been consistent, must have felt the same embarrassment.

Mr. CONNALLY. Mr. President, I desire to briefly state some of the reasons causing me to vote to concur in the House amendments on veterans' compensation and pension provisions of the bill.

It is entirely true, according to my view, as suggested by the Senator from New Mexico [Mr. CUTTING], that to fail to concur in the House amendment probably would deny to veterans relief to which they are entitled and which they cannot secure under existing law and regulations. The Senate amendments to the bill, of course, are much more liberal than those of the House as the bill came to the Senate from that body, and more liberal than the amendments upon which the House now insists. If the Senate insists upon its amendments there will either be no bill enacted or it will be vetoed if passed.

At this time I desire to point out that when the original Economy Act was pending here in March 1933 I offered an amendment providing that the compensation rates carried in the law and in the regulations prior to that act should not be cut more than 25 percent in the case of World War veterans with service-connected disabilities and in the case of Spanish-American War veterans. Later, about a year ago, when veteran and pension legislation was being considered on the independent offices bill, I offered a similar amendment, which was adopted by the Senate, the Vice President casting the deciding vote. The House refused to accept that amendment, but used it as a basis for a compromise, which was much less liberal than the Senate amendment. It served a useful purpose, because it secured for World War veterans and Spanish War veterans much more liberal treatment than they could otherwise secure.

When the independent offices bill was before the Senate on February 26, 1934, I voted for the amendment providing that cuts in Spanish War pensions could not be more than 25 percent, or a 75-percent rate on Spanish-American War pensions, because I knew that this was the highest possible rate the veterans of that war could obtain. I did not vote against the Spanish War veterans; I voted for them. That amendment was defeated; and I then voted for the Steiwer-McCarran amendment in its entirety, which carried the 90-percent rate on Spanish-American War pensions, as well as rates on World War compensation advocated by the American Legion and other veteran organizations. Since that action was taken by the Senate, the House of Representatives on three different occasions, on record roll-call votes, has refused to agree to the Senate amendments on veterans' affairs. There is no hope of obtaining favorable action on the veterans' amendments as they passed the Senate; and it is a question either of agreeing to the House amendments to this bill and securing some relief for disabled veterans, or of voting down those amendments and having them receive none. This course offers the only hope to secure increased benefits to the disabled veterans, and I propose to vote for substance instead of form. I propose to vote for real relief instead of making gestures.

Those, Mr. President, are the reasons which impelled me to vote to concur in the House amendments to this bill relating to veterans' compensation and Spanish War pensions. These provisions as to Spanish War veterans are practically what I proposed in March 1933, and the World War rates are in substance the same as carried in my amendment of March 1933, and later on the independent offices bill a year ago. If either of my amendments had been accepted by the House and became a law, much suffering and injustice would have been prevented.

REGULATION OF THE COTTON INDUSTRY

The Senate resumed the consideration of the bill (H.R. 8402) to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes.

Mr. ROBINSON of Arkansas. Mr. President, in view of the fact that the Senate has consumed 2½ hours today in the discussion of the conference report on the independent offices appropriation bill, and at the suggestion of several Senators, I ask unanimous consent that the agreement under which the Senate is proceeding with regard to House bill 8402, the so-called "Bankhead cotton bill", be modified so that after tomorrow at 12 o'clock noon no Senator shall speak more than once or longer than 15 minutes on the bill or any amendment that may be pending or that may be offered thereto.

The effect of this change will be to leave the debate untrammeled by limitation during the remainder of the day, and it will also give approximately the same amount of time for debate that would have been had if the conference report had not been taken up.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent that the agreement heretofore entered into for the consideration of the unfinished business be modified by the provision that after the meeting of the Senate at noon tomorrow no Senator shall speak oftener than once or longer than 15 minutes on the bill or any amendment thereto.

Mr. McNARY. Mr. President, I am sure that change meets with the general consent of Senators on this side of the aisle, and I hope the request may be agreed to.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement requested by the Senator from Arkansas? The Chair hears none, and it is so ordered.

ADJUSTED COMPENSATION OF WORLD WAR VETERANS

Mr. LONG. Mr. President, I desire to ask unanimous consent that following the passage or disposal of the Bankhead bill, the bonus bill be made the unfinished business of the Senate.

The PRESIDING OFFICER. The Senator from Louisiana asks unanimous consent that after the present unfinished business shall have been disposed of, the bonus bill shall be made the unfinished business.

Mr. ROBINSON of Arkansas. I shall have to object to that.

The PRESIDING OFFICER. The Senator from Arkansas objects.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the Senate amendment to House amendment to Senate amendment no. 22 to the bill (H.R. 6663) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1935, and for other purposes, and that the House had receded from its disagreement to the amendment of the Senate no. 23 to the said bill and concurred therein.

REGULATION OF COTTON INDUSTRY

The Senate resumed the consideration of the bill (H.R. 8402) to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes.

Mr. LEWIS. Mr. President, I desire to address myself to what may be said to be the reasons which justify such measures as the one now before the Senate, designated as a cotton-control bill, presented by the Senator from Alabama [Mr. BANKHEAD]. I do not profess any knowledge, as to cotton in its relation to the market or the farm, comparable to that which the eminent Senator from South Carolina [Mr. SMITH], the chairman of the Committee on Agriculture and Forestry, and the Senator from Alabama [Mr. BANKHEAD] no doubt present in support of this bill.

Mr. President, I desire to bring to the attention of the Senate a consideration which is brought to my mind by the public press of this morning and yesterday as reported in the proceedings of the Parliament of England, the Orders in Council of Britain, the legislation of France, and the immediate order that has transpired in Italy in connection with the colleague countries.

The condition of the United States today, as to its foreign trade, must be viewed with a perfectly plain vision on the part of America. The United States may desire to increase her export trade, and greatly deplores the loss of that which she has suffered, for it cannot be held out with any hope to its own people that there can be an immediate restoration from the difficult situation under which they have labored as a reward to them for their patience, for the present conditions clearly suggest that, as to export trade, the foreign lands of every clime are opposing the United States, and are taking every step that is conceivable, through practical operation, to obstruct and debar us from opportunity.

We note, sir, that Great Britain has proceeded by a tariff policy that lays a barrier against us, but which is within her power and her authority. France has entered into an agreement with five different countries to give precedence to their own commodities, in every respect, over everything and anything which may come from the United States. Italy frankly confides to the world her policy is one of retaliation as against our trade, insofar as concerns entering into relations with other lands which give them precedences in exchange for that which Italy is so soon to enjoy from those with whom she has entered into arrangements.

Mr. President, very shortly there will be presented to this honorable body a suggestion from an eminent and authoritative source looking to some remedy as to our export trade, and we turn to ask ourselves the question, What is to be done? Unless something shall be done by this country which will remove the antagonisms which literally hiss their curses against us and will lift the bars which now are dropped down as an obstruction toward our entrance into the world with our exports, then we will have no exporta-

tions, and the markets which we had hoped to obtain in behalf of our home people will have been wholly denied and will wholly fail.

We all rejoice in the prospect that the distinguished President, and the sense of our community at large, without regard to party, may bring some result of repair—it may be by the tender of measures which go by the alluring name of "reciprocity", or it may take on some other form which will be satisfactory in its result to our people. But we cannot be blind to the truth that the length of time this will occupy must diminish the hopes of our people proportionately, and leave them for a considerable season before they can enjoy the results, however propitiously put before the country.

The President of the United States is today in an interesting position, and, for our country, we must look upon him as occupying a station that has been paralleled many times just about this long after inauguration. The President of the United States now confronts a test, and it is about this time following inauguration when similar tests of the support of the President have awakened into conflict and rivalry during every administration from that of William McKinley. I speak something of personal knowledge of the period from the McKinley administration; what preceded McKinley's administration is not borne unto me other than as others would gather it from repairing to history. It fell to me to enter the House of Representatives for the first time during the McKinley administration, and it is because I am able to trace events from that administration to the present time that I say it is about after this length of time from inauguration that there arises opposition to the President in power, wherever partisan purposes may profit by it or personal concern or local benefit may follow from it.

The President of the United States of today confronts before the country the following questions: Is the country with him? Is Congress against him? Will Congress support the mandate which came from the popular vote which placed the President in position, and authorized his advocacy of measures such as he stated were the issues as presented by him in public addresses before the country? Will the country recognize the changes which have transpired in respect of commerce and business throughout the world, and note the mishap which has followed America in an experience of loss, and something of the despair she is compelled to endure as the result of that which has transpired?

Shall not the President have a right to submit the query to this Congress, Are you with me, or are you against me? Has not the country the right to know whether the measures submitted by the President are going to receive the support of Congress? Has not the President the right to know whether those who come as the agents of the people are going to aid in carrying out the measures as submitted by the President in expression of what he feels to be for the welfare of his people?

Mr. President, if, for partisan purpose on the one hand, or the demands of local benefit on the other, or, filling in the triangle, because of any personal obstacle or personal disappointment of the individual, there shall begin obstruction to the policy of the President as sent to the Congress to be executed, we might as well despair of any results to the people which could repair their wrongs or could restore their rights.

We have observed, through the experiences of other Presidents, a situation similar to that of today, except that it may be said that a greater support from the public heart of America is given to the present President of the United States than that which we have seen at any other period in our lifetime extended to any other President who has been honored in the position where sits Franklin D. Roosevelt.

Mr. President, since it is plain that foreign trade cannot be looked to to repair the losses of our country, and that the farmer from his farm and the manufacturer from his factory must wait only in hope, but not be able to realize in the present a return sufficient either to increase his business or to repair his losses, we turn to ask, What other steps can be taken?

The trade of this country is about 90 percent the result either of the industry of the manufacturer or of the farmer; and since there is so little to be hoped for immediately from the export trade against which foreign countries are now leveling their cannon of legislation and rearing their barriers of obstruction, we are confronted with the query, What can be done as to the domestic trade in order to help the citizen at home in his local pursuits?

If continuous production in any line, either on the farm or in the factory, shall continue to result in a surplus beyond the capacity of the people to purchase, and then result concomitantly in very low prices to be obtained by those who do produce, the conclusion can be but one, in the final analysis—a loss to those who produce and, therefore, an inability on the part of those who would consume to purchase.

How shall this be remedied? There is a bill before this body spoken of as the "cotton bill." I am not an expert upon the subject in its relation to the farm or the factory. True, I was reared in the State of Georgia, a cotton-producing State, and am not without some knowledge of the problems of the South, and great sympathy for their miseries and that which they have had to endure in their losses and in their despair. But I speak rather upon the general subject. Shall there not be some step accepted by our country whereby we may limit production in order that, as a result of that limitation, there shall be a market for that which is produced, and that market at such a price as will give such profit or compensation to the producer as will induce him to continue to produce and will give him compensation for his undertaking? In the meantime, does not that also produce the result that that which he obtains from his product becomes that with which he buys other products, and he becomes the consumer? More people are put to toil, and more wages are given to the toiler.

It may be that there are some who are not occupying themselves in the same pursuit in a manner as before; but as nature gives us equality that enables us to repair our misfortunes, it may be trusted that those who temporarily are suspended from employment, or from its pursuit, will find something else that will become their life in their undertaking or become their habit in nature, and in the final end no great loss will transpire.

The measure presented by the eminent representative of the crop from the South, cotton, deals with a very serious question, the seriousness of which the world little realizes. Cotton heretofore has been produced largely in the South. It has had a very large trade abroad. As I remarked a while ago, if I may be pardoned the personal reference, I have my interest in the South, where my forefathers have lived for generations, and where I lived in my childhood and in my youth. I know its problems as a cotton-producing section. As I traveled across Egypt, I realized the widening domain that was awakening as a competitor to the South. Then in Australia I beheld the rapid growth of their farms, and the multiplication of the land areas wherein cotton is produced. Then I returned with great gladness to see in our own great country in the West a new production of this great staple. As I saw all this, I marveled that the southern planter who produces cotton does not realize how very great is his peril and that, if something is not done that shall limit his production and place him upon the same paying market, there is no recourse for him beyond bankruptcy. That means the abandonment of his farm. It means a loss of comfort and dignity. His children will become wanderers and wayfarers wherever they may go, to city or to country.

This illustration which I draw is applicable to every other form of production in the land and justifies the new departure upon which we are now entering—of some form of control of production in order that the production that may come forth may have compensation and lend encouragement to other producers, and that new fields of operation may

be found to make up whatever may be lost temporarily so that disadvantage shall not come from that which is withheld.

Mr. President, I rise to ask whether there ever has been a time in the emergencies of any country when its citizens have not had to surrender a temporary advantage in order to avoid suffering from a greater and multiplied disadvantage?

Caesar is descending upon Rome. The imperial city is crowded with the thousands who come down from the hills, whom history records in a single expression as "the Goths and the Vandals", who in after times became possessed of the government. This eminent soldier, who had also written his Commentaries with the aid of his secretaries, saw that the necessity at first was to provide something for the farmer whose corn was losing markets. He also saw to it that the one whom we now speak of as the weaver, who with magic fingers in different forms of necromancy produces the results which we speak of as carpeting, literally of the earth, and the metal worker, and others, were all placed under a form of industrial operation such as we speak of today as the code. A form of limitation by the order of this great general and administrator was placed upon products, and it gave to Rome her chance to reestablish herself, by which she became the competitor of Egypt, and avoided the Egyptians overrunning her, and saved herself from destruction, and enabled the great poet to write of—

The glory that was Greece
And the grandeur that was Rome.

Mr. President, we turn to contemplate for a moment the condition that came upon England after she ceased to be under Gaul. When it was discovered that the wool from her farms could not have an outlet, France having placed a barrier growing out of previous wars, England did not hesitate to adopt, through the strategy of her statesmen and the wisdom of her philosophers, a system that placed a limitation upon the products which came from her soil as well as those which came from industry. A market price was secured, and something was had in that which went forward to her neighboring lands, which we speak of as exports.

It cannot be lost to the memory that as the manufacturers came along in Germany and Germany became a great manufacturing country and the supreme quality of her mechanical arts became recognized by the other nations of the world, Germany summoned the master minds of the fine portions of her land, which were not then an empire, and submitted to them a proposition for lessening manufacturing, giving as a reason, among others, the absence of coal sufficient to justify those exaggerated and enlarged undertakings. In this manner Germany began to build a market. She secured profits to her own people, gains to her country, and welfare to her citizens, which induced her to advance farther; and then she began the very first definite move out to that portion of the world of which she subsequently became a colonizer, known as "West and Central Africa."

I mention these incidents—not unfamiliar, of course, to the Senators who do me the honor to hear my observations—merely that it may be seen that what has been undertaken here in behalf of cotton, one of the prime crops of our country, is no novelty in the creation of man, and is now being presented to meet a necessity very like that which has faced other countries of the earth, and which they have met in similar manner.

We turn, of course, now and then for solace to Ecclesiastes, where it was said by the author that he beheld under the sun nothing new.

Mr. President, that for which I ask consideration is not primarily the cotton bill. I do not speak to the bill other than in its general terms. I beg to advise the Senate, however, that the example being set here must be followed as to all other products in America at this particular time, or there will arise from every portion of the country a demand that that be done. I now advert particularly to the imperial West, of which I am one of the voices; and in order that it may have an example which may guide it along the road looking to its protection and to the preservation of its people, I am pleased to point for justification to the bill presented by the Senator from Alabama in behalf of this great crop, cotton, and what the advocates of the bill feel will be its successful result.

Mr. BAILEY. Mr. President, will the Senator yield to me for a question?

Mr. LEWIS. I yield to the Senator from North Carolina.

Mr. BAILEY. I wish to know if we are to gather from the Senator's remarks that the American Republic in the year 1934 is to look to the European monarchies of the sixteenth century for an example.

Mr. LEWIS. I answer that whenever an example has been set to mankind, and mankind has profited by it, and it parallels in its exact experience that of today, it is an example to be followed, and one that it would be profitable to follow, although I must say to my able friend from North Carolina that it is not necessary to return to them. I merely call to the attention of my able friend and the Senators about me how the views expressed here today in behalf of the bill called the "cotton bill" are not original, but similar utterances have been previously made in connection with just such emergencies as that which confronts our land today.

I rather would invite my able friend's attention to the point I prefer to stress and that is, that when the President of the United States finds it necessary, in obedience to what he feels is the will of the people, as expressed to him through the ballot box, to order or request his congressional aids to consider legislation of this form as that which can repair the losses and meet the conditions of distress, that he may alleviate them and wholly restore our country's prosperity, we should turn to realize that the President's order and request to the body is a mere compliance with the order he has obtained from the ballot box when he was placed in power. We should realize that he is fulfilling a trust; and we, the Congress, his colleagues, should consider that we too owe an obligation to the country of fulfilling the order of the ballot box in compliance with the requests of the President wherever we can do so without complete violation of conscience, or what we feel is a deliberate assault upon the interests and welfare of the country.

Mr. President, I particularly desire to stress that it is not sufficient as a justification for our opposition that we ourselves individually may feel that the President is wrong. The President of the United States, coming directly from the people, has the right to be wrong. He may be wrong according to the estimate of some other man; he may be wrong according to the measure of some other community; but if he is fulfilling the directions of the people who placed him in office, at the same time giving him instructions as to the method of relief they seek, however wrong it may appear to be to the individual here and there, whose private fortune or personal interests it may affect, that cannot be a justification for opposition to the measure. The measure has a right to have its trial and its experiment to be explored in order to test its efficacy.

I, therefore, merely rise to call attention, sir, that conditions in our country and countries abroad call for action by us, not so much, sir, merely to fulfill a hope that there may be a restoration of exports through some adjustment between ourselves and foreign countries as to announce that that hope is so far from realization, and before it can be reached in its undertaking will have so many obstructions from statesmen who may honestly differ as to processes and from a public that may oppose the measures undertaken, that in the meantime our first obligation is to consider conditions at home, to ascertain what may be done to secure the market at home, and give relief to our own producers of farm and factory. So whatever the limitations of the measure now proposed in the application of the remedies it suggests, as an example, sir, I give it my approval because I find it tends in the direction of the current program of relief to America, if America is to enjoy such in the present era. I thank the Senate.

Mr. BORAH. Mr. President, the able Senator from Alabama [Mr. BANKHEAD], who opened the debate, and who is the author of the pending measure, indicated in his remarks

that as it affects a local problem and a local question, those representing that section of the country should be permitted, in a large measure, to have the approval of those who come from other sections.

Mr. BANKHEAD. Mr. President——

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

Mr. BORAH. I yield.

Mr. BANKHEAD. I am quite sure the Senator from Idaho will recall that during the course of my discussion I pointed out the very great direct interest all the industries of this country have in this program, and also, from my standpoint, its effect on the welfare of the people at large.

Mr. BORAH. I was going to say, Mr. President, that if this measure affected solely and alone the region of country in which cotton is produced, I think we would all be disposed to accept the judgment of those from that section, for there is no group of men in this body who know better the problems of their own particular locality and are more capable of presenting them than those who represent the States where cotton is grown. If this measure in any sense could be confined in its effect and operation to the South, or to that portion of the country where cotton is grown, I certainly should not take the time of the Senate in discussing it. But it is a measure which involves, first, a very grave constitutional question, and secondly, the establishment of what may be considered a national policy. Undoubtedly, as indicated just now by the able Senator from Illinois [Mr. LEWIS], if applied to cotton, it must inevitably find its way to other portions of the country and control the production of other crops. Therefore, in discussing this measure we are not in any sense at all impeaching or controverting the ability of those who are especially familiar with the cotton situation to represent the views of the cotton growers.

Mr. President, there is a constitutional question here involved, but I am not going to discuss it at length. I am not going to discuss it at length for the reason that, in my judgment, it presents no graver question of constitutional law than other measures which the Congress has passed with reference to national recovery. I have felt that a number of provisions in the Agricultural Adjustment Act run distinctly counter to the plain provisions of the Constitution, and while I have felt, and now feel, that there are provisions in the National Recovery Act equally objectionable, the courts have not as yet passed upon them. If the courts should sustain them, this bill, in my judgment, would have to be accepted under the principles which would be announced in order to sustain provisions of the other measures.

Therefore, I do not feel disposed to discuss the constitutional question, further than to explain my personal view and in a sense to explain my vote. It is admitted by the terms of the bill and in the discussion on the floor that we are dealing with a product which is not in interstate commerce; under the decisions of the Supreme Court in no sense could it be regarded as interstate commerce. I do not believe that the able Senator himself who spoke in behalf of his bill would undertake to maintain that the interstate-commerce clause would justify this measure.

Mr. BANKHEAD. Mr. President——

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

Mr. BORAH. I yield.

Mr. BANKHEAD. I do not know whether the distinguished and able Senator from Idaho heard my full discussion on Saturday, but, whether he did or not, permit me to point out to him at this time that it is likely that a greater proportion of cotton and the manufactured products of cotton within the States where cotton is grown move in interstate and foreign commerce than any other commodity produced in America.

Mr. BORAH. Certainly; that will be conceded, Mr. President, but it does not in any way change the principle of law which I have announced, because until it does begin to move in interstate commerce it is not subject to the will of Congress or to the legislative power of Congress under the interstate-commerce clause of the Constitution. The fact that it may move at some time in interstate commerce is not sufficient to authorize Congress to legislate concerning the commodity under the commerce clause of the Constitution. I need not cite decisions to sustain that principle of constitutional law. So long as it is intrastate as a commodity, so long as it is not in the channels of interstate trade, it cannot be legislated upon by the Congress, although it may thereafter, at some time or other, move in its entirety in interstate commerce. Clearly the measure itself discloses that we are dealing with this product before it enters interstate commerce, and, indeed, we are attempting by the terms of the measure itself to prevent its going into interstate commerce, that is, that portion of it as to which we propose to legislate.

Mr. President, I do not think that the taxing power can be invoked to sustain this measure. The only decision which has been called to our attention which would apparently sustain the view that this bill is within the taxing power of Congress is that in the oleomargarine case, and I do not believe that case in any sense announces a principle which would justify the measure which is now before us. It must be borne in mind that there the Congress was dealing with a commodity known as "oleomargarine" and seeking to distinguish it from butter, and by the exercise of its power laid a tax on oleomargarine. I think the Court went to the limit in sustaining that law. But suppose, instead of its having dealt with oleomargarine in contradistinction to butter, it had dealt with butter solely, and had undertaken to impose a tax upon pure butter in excess of a certain quantity of butter produced; that would be this bill; and that is not the measure upon which the Court passed.

Mr. BANKHEAD. Mr. President, let me ask the Senator what he has to say about the bank-note tax, which prevented entirely the issuance of bank notes by the State banks? I refer to the Veazie case.

Mr. BORAH. The Congress of the United States is given express power with reference to money and the establishment of a monetary system, and the Court undertook to sustain the act referred to upon that theory.

Mr. BANKHEAD. It sustained, however, as I think the Senator will admit, the tax regardless of the other theory.

Mr. BORAH. It sustained the tax because the Court found special provision in the Constitution authorizing the Congress to deal with the entire subject matter; and the Congress, having power to deal with the subject matter in any respect, had the power to deal with it as an entirety and completely; it might do whatever the Congress thought was sufficient and efficient to establish a proper monetary or banking system in the United States.

If the effect of the establishment of that system was to prevent the States from having a certain monetary system, it was perfectly legitimate, for the reason that the power was originally lodged with Congress to treat with the entire subject; and that is not the principle with which we are here dealing.

It must be borne in mind that this decision, the Oleomargarine case, was by a divided court. In the decision it is stated:

> As we have said, it has been conclusively settled by this Court that the tendency of that article to deceive the public into buying it for butter is such that the States may, in the exertion of their police powers, without violating the due process clause of the fourteenth amendment, absolutely prohibit the manufacture of the article. It hence results that, even although it be true that the effect of the tax in question is to repress the manufacture of artificially colored oleomargarine, it cannot be said that such repression destroys rights which no free government could destroy, and therefore no ground exists to sustain the proposition that the judiciary may invoke an implied prohibition upon the theory that to do so is essential to save such rights from destruction.

We are dealing here with a perfectly legitimate commodity, with a perfectly legitimate article of trade and commerce. It is not deleterious; it is not obnoxious to the public interest; it is not deceptive; there is no fraud connected with it in any way; but here is a legitimate subject of trade and commerce. Now, I ask, can the Congress of the United

States, under the guise of laying a tax, prohibit the shipment of a perfectly legitimate subject of trade in interstate commerce? Has it ever been done? We have prohibited the sending of lottery tickets through the mails; we have prohibited the carrying of women across State lines for illicit purposes; we have taxed oleomargarine because of the deception and the fraud which it works; we have taken hold of those subjects which in some way were injurious, or were thought to be injurious to the public, and either through a special provision of one kind or another we have undertaken to control and limit action in regard to them.

Mr. HEBERT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. BORAH. I will yield in just a moment.

But, as said by the Supreme Court in a case which I shall read in a few moments, to concede to the Congress the power by its own interdiction to prohibit a perfectly legitimate product of commerce to enter into interstate trade is to take away the very foundation of the Government itself.

I yield now to the Senator from Rhode Island.

Mr. HEBERT. The Senator is quoting from the opinion in McCray against United States, involving the oleomargarine case, reported in One Hundred and Ninety-fifth United States Reports?

Mr. BORAH. Yes; I was quoting from that.

Mr. HEBERT. I invite the attention of the Senator to the last paragraph in that decision which to my mind is a very strong argument against the principle involved in the pending bill.

Mr. BORAH. Yes; I am going to read that now:

> Let us concede that if a case was presented where the abuse of the taxing power was so extreme as to be beyond the principles which we have previously stated, and where it was plain to the judicial mind that the power had been called into play not for revenue but solely for the purpose of destroying rights which could not be rightfully destroyed consistently with the principles of freedom and justice upon which the Constitution rests, that it would be the duty of the courts to say that such an arbitrary act was not merely an abuse of a delegated power, but was the exercise of an authority not conferred.

The Senator from Alabama by his bill is saying to the small farmer of the South that he shall produce only a small amount of cotton or, if he produces more, he shall not be permitted to ship it in interstate commerce. What is the matter with that cotton? Why not permit it to be shipped in interstate commerce? The cotton is inherently sound. It is a legitimate article of trade. It is proposed that we shall use the taxing power to preclude a citizen of the United States from enjoying the right to sell his property in the ordinary course of trade. My own view is that we have no such power. That a measure which purports to do that thing not only is without authority of the Constitution but runs counter to the most fundamental principles of free government.

As I said a moment ago I do not say that the Court will not sustain the bill. I do not know what that tribunal will do. If they should sustain other provisions of the Agricultural Adjustment Act, I think this bill would have to be sustained. I am simply recording my own view which must be my guide in casting my vote. I must construe the Constitution myself for myself in voting on measures here. And I entertain no doubt as to the unconstitutional import of this bill. I can find no possible justification for the exercise of the taxing power to keep out of trade a legitimate subject of commerce. It is not imposing a tax for revenue, it is assessing a fine under the guise of a tax.

Mr. BANKHEAD. Mr. President——

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

Mr. BORAH. I yield.

Mr. BANKHEAD. While the Senator has before him the McCray case, from which he is reading, I invite his attention to page 60, near the bottom of the page, to a proposition which is fully supported by this decision from the very first statement in it to the last:

> The proposition that where a tax is imposed which is within the grant of powers—

I assume that no one disputes the right of Congress to levy an excise tax—

> the proposition that where a tax is imposed which is within the grant of powers, and which does not conflict with any express constitutional limitation, the courts may hold the tax to be void because it is deemed that the tax is too high, is absolutely disposed of by the opinions in the cases hitherto cited, and which expressly hold, to repeat again the language of one of the cases (Spencer against Merchant) that "The judicial department cannot prescribe to the legislative department limitations upon the exercise of its acknowledged powers. The power to tax may be exercised oppressively upon persons, but the responsibility of the legislature is not to the courts but to the people by whom its members are elected."

Mr. BORAH. I do not dispute the proposition the Senator states at all. There is no argument about it.

Mr. BANKHEAD. That goes to the proposition the Senator has been arguing.

Mr. BORAH. No; it does not.

Mr. BANKHEAD. The Senator has been arguing that a tax laid upon an article which may move in interstate commerce, or that the Senator insists does not but may move in interstate commerce, is an undue burden and interference with interstate commerce. Here a tax was laid upon oleomargarine that was unjust, an excise tax. Nobody disputes it. But the principle of the power to levy the tax, whether upon colored or uncolored oleomargarine, is unquestioned, and the amount of the tax under this decision cannot be questioned by the courts.

Mr. BORAH. In order that the Senator and I may not take our time in controverting things about which we agree, I concede that if the Congress has the power, then the Court cannot restrain the exercise of that power to whatever extent the Congress may choose to go. We are now discussing the question of whether or not the Congress has the power, through the guise of taxation or otherwise, to prohibit the shipment in interstate trade of a pure, unadulterated, legitimate subject of commerce and trade. That is the subject I am discussing.

Mr. BANKHEAD. Is the Senator addressing himself to unconstitutionality of the bill? I understood he was not going to do that.

Mr. BORAH. I have stated that I simply desire to state my position regarding it, and I do not propose to take much time of the Senate in further discussing it.

I call attention to one sentence which I think is important. Speaking of the power to regulate commerce—and it would be the same, in my judgment, in reference to taxation—the Court said in the Dagenhart case:

> The power conferred is to regulate, and the very terms of the grant would seem to repel the contention that only prohibition of movement in interstate commerce was embraced. And the cogency of this is manifest, since if the doctrine were applied to those manifold and important subjects of interstate commerce as to which Congress from the beginning has regulated, not prohibited, the existence of government under the Constitution would be no longer possible.

Is it contended that the Congress of the United States has the power, by taxation or otherwise, to prohibit any legitimate subject of trade that it sees fit to prohibit?

Mr. BANKHEAD. Is that question addressed to me?

Mr. BORAH. It is addressed to the country. Has the Congress of the United States the power under the Constitution to say to a man who has 10 bales of cotton, "You may not ship that cotton in interstate commerce"? I think it is a very, very extraordinary power.

I read a paragraph from the child-labor tax case, and then I shall pass from this constitutional question:

> Or does it regulate by the use of the so-called "tax" as a penalty?

I call particular attention to this matter:

> If it were an excise on a commodity or other thing of value, we might not be permitted under previous decisions of this Court to infer solely from its heavy burden that the act intends a prohibition instead of a tax. But this act is more. It provides a heavy exaction for a departure from a detailed and specified course of conduct in business. That course of business is that employers shall employ in mines and quarries children of an age greater than 16 years; in mills and factories, children of an age greater

than 14 years; and shall prevent children of less than 16 years in mills and factories from working more than 8 hours a day or 6 days in the week. If an employer departs from this prescribed course of business, he is to pay to the Government 0.1 of his entire net income in the business for a full year.

It was held that that tax was void; that that could not be done under the guise of the taxing clause.

Mr. President, I say that when the authorities find that the party is proposing to ship in interstate commerce above a certain amount allotted to him and that there is assessed against him a tax of 50 percent of the value, that is manifestly on the face of it a punishment for the doing of a legitimate thing, and it seems to me that it is indefensible.

Mr. President, it has been said that the southern cotton planters are all in favor of the bill, that 90 percent of them are in favor of it. I do not believe 10 percent of the cotton planters of the South are in favor of this bill. They are in favor of a higher price for their cotton, and undoubtedly they would be in favor of any reasonable attempt to control the production of cotton. But when we consider the terms of the bill, the penalties which are assessed, and the fact that a man may be sent to prison for violating a regulation of the Department of Agriculture in a legitimate occupation which he has pursued for half a century or less, I do not believe the people would accept any such proposition.

I do not know, of course, just what the number of people is who are opposed to the bill. I know it is very large. I do know the southern people. I admire the southern character. I do not know of any people who desire more freedom, more independence, more liberty to pursue their legitimate rights without embarrassment than the people of the South. I do not believe any people on the round globe are so free of the taint of Communism. I doubt very much if anyone will ever be able to get them to accept a strait-jacket like this.

Let us read the bill, a most extraordinary measure, it seems to me. Even if we concede the purpose to be legitimate, yet the terms and conditions of the bill are exceptional:

When the Secretary of Agriculture finds for the crop year 1935–36 that two thirds of the persons who own, rent, share-crop, or control land in the United States on which cotton is produced favor a levy of a tax on the ginning of cotton in excess of an allotment made to meet the probable market requirements and determines that such a tax is required to carry out the policy declared in section 1, the Secretary shall ascertain from an investigation of the available supply of cotton and the probable market requirements the quantity of cotton that should be allotted, in accordance with the policy declared in section 1, for marketing in the channels of interstate and foreign commerce, from production of cotton during the succeeding cotton crop year, exempt from the payment of taxes thereon.

What happens? The taxes are laid as a result of a popular vote, as it were. We are not levying the tax ourselves. We are giving to the Secretary of Agriculture the power to levy the tax, and the Secretary of Agriculture cannot exercise the power until he has taken a plebiscite of the voters. Thus the power to levy a tax is to be twice removed from the body which alone has that power.

For the crop year 1934–35, 10,000,000 bales is hereby fixed as the maximum amount of cotton of the crop harvested in the crop year 1934–35, that may be marketed exempt from payment of the tax herein levied. Except as provided in section 2, the allotment plan and the tax is hereby declared to be in effect for the crop year 1934–35.

SEC. 4. (a) There is hereby levied and assessed on the ginning of cotton hereafter harvested during a crop year with respect to which this act is in effect, a tax at the rate per pound of the lint cotton produced from ginning, of 50 percent of the average central market price per pound of lint cotton, but in no event less than 5 cents per pound.

Is that a tax, or is that a fine? When a man has a certain number of bales of cotton which may go into interstate commerce, and we find that he has a bale of cotton which may not go into interstate commerce, and we tax him 50 percent of the value of the product, is that a fine? Is that a punishment or is that a tax? Is it laid for the purpose of collecting revenue, or is it laid for the purpose of punishing a man for exercising his legitimate rights and pursuing a legitimate industry?

On the face of the matter, when the court comes to speak of this bill, it will say that the objective sought is that of punishment of the person who undertakes to engage in interstate commerce.

If the cotton was harvested during a crop year with respect to which the tax is in effect, the tax shall apply even if the ginning occurs after the expiration of such crop year.

Now we come to the punitive provisions of the bill:

Except as may be permitted by regulations prescribed by the Commissioner, with the approval of the Secretary of the Treasury, with due regard for the protection of the revenue, no person shall (1) transport, except for storing or warehousing, under the provisions of section 4 (f) beyond the boundaries of the county where produced any lint cotton to which a bale tag issued under this act is not attached.

What are we doing here? We are prohibiting internal transportation. We are saying that a man shall not ship from one county to another without the consent of the National Government. I do not believe it will be contended that that is valid.

Mr. BANKHEAD. Mr. President, I assume the Senator understands that that relates only to cotton upon which the Government has a lien for a tax which has not been paid.

Mr. BORAH. Yes; I understand that. The bill goes on:

Or (2) sell, purchase, or open any bale of lint cotton to which a bale tag issued under this act is not attached.

That does not change the principle which I was undertaking to express, it seems to me.

(d) Any person who willfully violates any provision of this act, or who willfully fails to pay, when due, any tax imposed under this act, or who, with intent to defraud, falsely makes, forges, alters, or counterfeits any bale tag or certificate of exemption made or used under this act, or who uses, sells, or has in his possession any such forged, altered, or counterfeited bale tag or certificate of exemption, or any plate or die used, or which may be used in the manufacture thereof, or has in his possession only bale tag which should have been destroyed as required by this act, or who makes, uses, sells, or has in his possession any paper in imitation of the paper used in the manufacture of any such bale tag or certificate of exemption, or who reuses any bale tag required to be destroyed by this act, or who places any cotton in any bale which has been filled and stamped, tagged, or otherwise identified under this act, without destroying the bale tag previously affixed to such bale, or who affixes any bale tag issued under this act to any bale of lint cotton on which any tax due is unpaid, or who makes any false statement in any application for bale tags or certificates of exemption under this act, or who has in his possession any such bale tags or certificates of exemption obtained by him otherwise than as provided in this act, shall on conviction be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

There are some things in that provision for which I think it would be perfectly proper to inflict punishment. If a person is guilty of fraud, or guilty of deception, or guilty of forgery, or anything of that kind, undoubtedly the Congress has a right to fine him a thousand dollars, or any other reasonable amount that the Congress sees fit; but the bill says:

Any person * * * who willfully fails to pay when due any tax imposed under this act.

In other words, if a person is unable to meet his obligations and declines to pay, or refuses to pay, does he not do it willfully or purposely?

Mr. BANKHEAD. Mr. President——

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

Mr. BORAH. I do.

Mr. BANKHEAD. The Senator will find, if he will examine the measure, that the tax is not due until the producer sells the cotton. If any tax at all is due under the proposed statute the Senator is criticizing, it is not due until the producer sells the cotton, because there is no tax due on reserved cotton. If he removes or disposes of the other cotton, there is no tax due on it until he sells it, and then, of course, he has the money out of which to pay the tax. If he puts the money in his pocket and goes off and deprives the Government of the tax, I do not think the punishment is too severe; but if the Senator thinks it is, I am perfectly willing to modify it. I just want to make the law effective, that is all.

Mr. BORAH. The bill says:

(e) Any person who willfully violates any regulation issued by the Secretary of Agriculture or the Secretary of Agriculture and the Secretary of the Treasury under this act * * * shall * * * be punished by a fine not exceeding $200.

Mr. BANKHEAD. That is taken from the Agricultural Adjustment Act. It has been in effect now for a year, and I have not heard of anybody improperly being sent to the penitentiary.

Mr. BORAH. No; and I do not think the Senator ever will, because I think the authorities are afraid to test it. Ever since I have been in the Senate, however, I have been protesting against making the violation of a regulation promulgated by a Cabinet officer a crime. A man ought not to be convicted of crime for violating anything less than the law made by the lawmaking body of the United States, or of the State, if the transaction be within a State.

I said a moment ago that I do not think the South as a whole, or the small planters of the South, are in favor of this bill; and I do not think they are. I have here a letter from North Carolina which says:

> If you will go into the history of all the men visiting in Washington urging the above legislation, you will find that most of them are landowners who have overproduced for years and therefore are fully protected under the proposed bills.

I will hand these letters to the author of the bill if he desires to see them.

I have a telegram this morning reading as follows:

> Please vote against Bankhead bill. Small cotton farmers oppose it. Will ruin dairy and livestock industry in South, where feed is already scarce and high. Farmers' endorsement obtained by high-pressure methods through professional agriculture bureaucrats.

Mr. SMITH Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from South Carolina?

Mr. BORAH. I do.

Mr. SMITH. May I ask the Senator to read again the part of that letter which says that the passage of the bill would ruin the dairy interests of the South—for what reason?

Mr. BORAH. I read it just as it is written here.

Mr. SMITH. Yes; but I ask the Senator if he will read it again.

Mr. BORAH. The writer of the letter says:

> Please vote against Bankhead bill. Small cotton farmers oppose it. Will ruin dairy and livestock industry in South.

Mr. SMITH. It seems to me that is a contradiction in terms, if the Senator will realize that on the land which the Government rents, which has been taken out of production under this voluntary reduction program, an abundance of feed and food for cattle can be raised. So it seems to me that instead of injuring the dairy industry, the passage of this bill would be the very source of promoting it.

Mr. BORAH. Southern Congressmen who know more about this matter, of course, than I do—not more than the Senator from South Carolina does—took the same position in the debate in the House.

Mr. SMITH. Yes; some few of them.

Will the Senator allow me here to repeat what I said last Saturday? The Secretary of Agriculture informs us that he sent out questionnaires along the line of the voluntary entrance into binding contracts by farmers to reduce their acreage. He sent questionnaires to those who had entered into the voluntary reduction program, and asked them how they felt in this emergency toward the Congress, passing a compulsory act looking toward making absolutely certain the amount to which they were trying to reduce their production; and according to a statement from the Secretary of Agriculture a tremendous majority of the cotton producers—and those were the smaller ones—answered in the affirmative.

Mr. BORAH. Perhaps some of them were like this gentleman, who writes me, speaking of the bill, as follows:

> It will not be any good for us little fellows. We have been made to endorse the bill, but we do not want it. We little fellows will get the worst hurt by it. We want you to do everything you can against it.

Mr. SMITH. The little fellow is the very one who will get the benefit of it, as a matter of course, because in the voluntary reduction plan he was the very one who was taken care of better than the larger one.

Mr. BORAH. There is a difference of opinion about that, as the Senator knows.

Mr. SMITH. Yes; and there is a difference of method of getting this propaganda to us. When the Senator stops to think that a ginner gets the same amount for ginning cotton whether the price is 5 cents or 50 cents, he will realize that what he is after is the number of bales to gin. The man who operates the compress gets the same, whether the price is 5 cents or 50 cents a pound. What he wants is bales. The same freight is paid, whether the price is high or low.

Mr. BORAH. I yield for a question.

Mr. SMITH. I thought the Senator wanted some enlightenment from those who do know the problem. I agree with the Senator, if he will allow me to make this statement:

I am no more in favor of this interference by the Federal Government in the internal affairs of a State than the Senator from Idaho is; but conditions arise, and this is one, where a majority have entered into a voluntary reduction which may be defeated by seasons or by the 15 percent who have not come in.

Mr. BORAH. Mr. President, the Senator from South Carolina spoke of the reduction of the cotton crop and how that had benefited the small cotton producer. I read from a southern newspaper, the Tulsa Tribune, which says:

> The Tribune said of the "plow up" cotton program, which is popularly supposed to have been born in the fertile brain of a Columbia University professor who probably never saw a cotton farmer, exactly what Norman Thomas said of it at Tyronza, Ark., last week. We said it was crazy economics. That is what it is. Cotton growers who do not have a whole pair of overalls or whose children do not have enough clothes to cover their nakedness have been bullied into plowing up their cotton and signing crop-reduction agreements. Landlords have taken land away from their tenants, in order to obtain the Government bonus, and left them with no means of support. Such a program is not only crazy economics but is viciously unjust. It is a thing that no American citizen should countenance.
>
> There is, to be sure, more money circulating in the cotton country. But a miracle would have to be worked to entitle the program to the support of anybody who knows actual conditions. For every cotton farmer who has been given relief a dozen have been penalized.

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Mr. SMITH. Mr. President, from what paper is the Senator reading?

Mr. BORAH. The Tulsa Tribune.

Mr. SMITH. That is from out in Oklahoma?

Mr. BORAH. Yes.

Mr. SMITH. I will not take the Senator's time; but in my own time I shall prove to him that the reduction program did not reduce the production of cotton by the farmer by 1 pound or 1 ounce, because the Government substituted out of the carry-over, pound for pound, and even more than the farmer would have produced had he planted the acreage which he abandoned. Where he did not elect to make cotton the Government paid the tenant, the share-cropper, for the acreage. The statement read by the Senator is an infamous misrepresentation of the facts, as I know, because I went all over my State and found that every tenant got his pro-rata share of the benefits.

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

Mr. BORAH. I yield for a question.

Mr. FESS. Will the Senator yield to permit the insertion after the Senator's remarks of an article from the Manning News, of South Carolina, which gives information along the line of that the Senator from Idaho is giving?

Mr. SMITH. I am perfectly familiar with the man who writes for that paper, too?

Mr. FESS. Will the Senator from Idaho permit me to have this inserted in the RECORD?

Mr. BORAH. I have no objection, if it is inserted at the close of my remarks.

Mr. FESS. I ask unanimous consent to have inserted in the RECORD this article from the Manning (S.C.) Times.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. SMITH. I shall take occasion to answer that.

The PRESIDING OFFICER. The Senator from Idaho has the floor. If any Senator desires to interrupt him, he should address the Chair.

Mr. BORAH. Mr. President, I desire to quote from an article in the Texas Weekly, January 20, 1934, page 4, where it is said:

[From the Texas Weekly, Saturday, Jan. 20, 1934]

THE CRIME OF AN EXTRA BALE—BANKHEAD BILL, IF ENACTED INTO LAW, WOULD MEAN GOVERNMENT OWNERSHIP OF THE FARMER'S LAND, HIS IMPLEMENTS, AND EVEN OF THE FARMER HIMSELF. FINE OR IMPRISONMENT PROVIDED

Believe it or not, there is now pending in Congress a bill which provides that the Secretary of Agriculture "shall apportion to each farm the number of bales of cotton for which license to gin will be issued", and which also provides that any person who "violates any of the provisions of this act or regulations shall, upon conviction thereof, be fined not more than $250 or imprisoned not more than 60 days", and that "each bale of cotton ginned without a producers' license shall be a separate offense." The bill is known as the "Bankhead bill", having been introduced by Senator JOHN H. BANKHEAD, of Alabama, and it is said to have powerful support.

The bill would make it the duty of the Secretary of Agriculture each year to ascertain, from investigation of the available supply of cotton and probable market requirements, the quantity of cotton "should be offered for sale in markets from production of cotton during the succeeding crop year." Then the Secretary "shall apportion to cotton-producing States the number of standard bales of 500 pounds weight that may be ginned in each State" and the apportionment of each State shall be apportioned to each farm in the State. "A license shall be issued for each bale allotted a landowner under such regulations relating to overweights as the Secretary may make." And no farmer will be permitted to have ginned a single bale of cotton for which he has no license. The proposal is that a new crime be created, the crime of the extra bale! Incidentally the bill provides arbitrarily that "for the crop year 1934–35 the quantity of cotton for which licenses to gin may be issued shall not exceed 9,000,000 bales."

The bill has been changed so as to make that 10,000,000 bales.

Discussing this extraordinary measure in its issue of last Tuesday, the Dallas News says: "The introduction into Congress of such a measure as the Bankhead control bill is not startling. No measure merely introduced into Congress startles anyone any more. But the report that administration leaders are supporting the bill is a little breathtaking to Americans who still think straight according to the old American ideals. If the Government can control 'down to each plot of ground' the production of cotton, then the Government can—and inevitably will—control all crop and livestock production on all plots of ground. When the Government does this, it has taken over ownership of the farmer's land and implements and the farmer himself. What does title to property mean without the right to manage it? What does freedom mean without the liberty to direct one's productive efforts according to one's own ideas of economic self-interest, excepting for moral restraint?"

Mr. President, that paragraph discloses the reason for my keen interest in this bill. I think I know that if this bill shall be enacted and control is taken of cotton, wheat areas will be subjected to the same principle and the same rule, the cattle industry will be subjected to the same rule, and all the industries of the country will be subject to the plan and management and control indicated in the pending bill.

I could very well forego any discussion of a measure which related solely to one locality or portion of the country, although I would have some difficulty in convincing myself that this measure would be of any benefit to the cotton raiser; but I am interested for the reason that, as has been indicated by those in authority, this is the beginning of a national plan and is the start of a movement which has for its objective and purpose the planning and controlling of the productive forces of this country as an entirety.

Mr. GLASS. Mr. President——

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

Mr. BORAH. I yield.

Mr. GLASS. Does not the Senator know that the farm-animal industry has already been taken possession of, and that several million sows have already been slaughtered to keep them from having pigs?

Mr. BORAH. Yes; I do know that. And I cannot believe in any such program.

Mr. GLASS. I do not know why they should have made that discrimination against the sow.

Mr. SMITH. It was against the pig.

Mr. BORAH. This writer further says:

"The enactment of the Bankhead bill", the News continues, "would be a long step to the left, and it would make necessary further steps in the same direction, because it would make Government permanently responsible for many inequitable and oppressive conditions in the current economic problem. It would freeze laissez faire at its lowest and worst and leave the thawing to bureaucracy. What, for example, would the Government do about the problem of the big landowner and producer? What would it do about the millions of tenants? When the Government has taken out of the farmer's hands the running of his farm, will it take over the responsibility of the mortgage? In justice it will have to do so."

"There is strong support for the Bankhead bill, according to report," says the News, "and yet there would be more bellowing on Capitol Hill than has been heard in a decade if someone should even hint that there is one Communist among Congressmen. Whether the Bankhead bill be communistic or State syndicalistic, it is unreasonably radical. The American people have accepted extreme measures as a way out of the depression, but they are not yet willing to see individual economic enterprise become the vassal of bureaucracy. They have not given up the idea that democracy in its essentials may be restored—and the Bankhead bill is not the way back to democracy."

All of which we unhesitatingly endorse. But there are practical arguments against the measure also. First of all, in the face of the cotton plan for 1934 which is being put in effect by the Agricultural Adjustment Administration such a measure is unnecessary. The new contracts are being signed by cotton producers throughout the South, and within another 10 days it is expected that agreements will have been reached for the retirement of enough land to hold the total cotton acreage down to 25,000,000 acres. An average yield of 180 pounds to the acre on that acreage would mean a 9,000,000-bale crop, and only on two occasions since the World War, besides last season, was there an average yield of as much as 180 pounds to the acre. An ordinary growing year would mean a total production of much less than 9,000,000 bales. And it would require an average price of 14.6 cents a pound to make a 9,000,000-bale crop produce a money return equivalent to that of the past season's crop.

Another practical argument against alloting a certain number of bales to each farm is that it would promote expensive production, because the average farmer would make sure of producing his allotment by planting a maximum of acreage necessary to the production of that amount of cotton. The result would be that a large percentage of the cotton farmers would produce more than the allotment, thus creating waste and running up the cost of producing that covered by the ginning license.

However, as suggested by the News, the chief objection to the measure is that it would mean practical Government ownership of the farmer's land and tools and of the farmer himself. Also it would accentuate existing inequalities, giving an immense advantage to the owner of a large tract of land and working a serious hardship on the owner of a small tract on which even a maximum production would mean only a bare subsistence return.

It is to be hoped that the reports that have come from Washington to the effect that this measure has the support of administration leaders are without adequate foundation in fact. The present cotton plan is bad enough without such a measure as the Bankhead bill.

I presume it must be conceded that this bill is supposed to take care only of a very small minority. It is for the purpose of punishing some individual or a small minority who may not have joined in the reduction plan which has heretofore been obtaining. Certainly, if the consent were unanimous among the cotton producers, there would be no occasion for the bill, and it is therefore really an attempt to coerce the last single individual into producing cotton in accordance with the rules and regulations of the Secretary of Agriculture.

Mr. President, on page 10 of the issue of the Texas Weekly of February 3, 1934, there are quoted a number of paragraphs from different newspapers of the South. Without taking the time to read them, I ask that I may have them inserted in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. BORAH. Mr. President, I have said all I wished to say in regard to the bill. I desired merely to explain my reason for voting against the measure and to be prepared against another day in case a similar movement should be proposed as against the wheat acreage of the United States and in relation to other products about which I have more immediate concern and about which I have greater knowledge. I could not under the circumstances sit silent and in a sense be estopped from offering my views later.

EXHIBIT A

[From the Manning (S.C.) Times]

All right, here we are and we are tempted to say something about the cotton-reduction plan as outlined by those in authority, while we think it a fine idea to get the supply in line with the demand, but we are wondering if we are not going too strong with the reduction to meet the situation desired. Suppose we get this year's crop down to 8 to 10 million bales, and the price gets up to 20 cents the pound, will the majority be benefited or a minority? To illustrate, those who have for all these many years looked to the fall of the year to make their money to supply themselves with clothing and shoes and enough groceries to carry them through the winter will be disappointed; then, too, here is another fact that we cannot get around, and that is this: With high prices of raw cotton, naturally we are going to have high prices to pay for the manufactured goods from the raw material. Still further, we cannot get away from another fact, and that is these millions upon top of millions of dollars are invested in cotton ginning and cotton oil-mill machinery that is going to be frozen investments; then, too, let us not forget the further fact that, with short-term ginning and short-term operating of the oil mills that leads to unemployment, the very thing that the United States Government is spending even billions of dollars right now to hedge off; and, still further in our humble opinion, there is another situation that should be thought about by those in authority and that is engineering his reduction game, and that is much foodstuff in the way of hulls and cottonseed meal for cattle will be taken off the market, and then shortening for mankind also is cut off; as to just what it is all about remains yet to be seen. Then there is still another fact, and that is that thousands upon thousands of cotton buyers, saying the least of it, term for work is going to be cut short, and the thousands of people that are now working to bring about this reduction will have to continue in the service of the Government, as we see it, to a very large extent to see that the program now being put on is carried out. The pay must come from somewhere, cotton or otherwise, and our opinion is that Government employees are reasonably well paid, saying the least of it. While we hope that we are mistaken as to the above, and that it will prove a material blessing to all concerned, and maybe it will. We are not questioning the sincerity of anyone who is sponsoring the movement. While it could be possible that too few are doing the thinking for the many, sometimes we are tempted to believe that too few people are consulted in regard to many great projects that are put over by those in authority that do not bring the relief and prosperity that are planned.

EXHIBIT B

[From the Texas Weekly, Feb. 3, 1934]

One of the pressing reasons why a balanced economic system must be sought is that the Government is intending forcibly to restrict production of such agricultural products as cotton upon which Texas and the South are largely dependent for their welfare. The Hallettsville Tribune reproduced excerpts from an article by Mr. Miller, and the Stephenville Empire-Tribune offers these thoughtful observations on the Bankhead bill:

"There is a bill pending in Congress which provides that the Secretary of Agriculture 'shall apportion to each farmer the number of bales of cotton for which license to gin will be issued' * * *. Senator JOHN H. BANKHEAD of Alabama introduced the bill, and it goes by his name. Reports from Washington indicate that the proposed measure has powerful support.

"The probable result of such legislation is expressed by the Dallas News * * *. The News, it seems, makes it clear that such a measure would be the final blow to the farmer's initiative, that with such a provision in force the farmer would be owned and in bondage. Efforts at enterprise on his part would be useless.

"Another strong argument against the bill", the Empire-Tribune continues, "is one set forth by Dale Miller in the Texas Weekly. It is Miller's opinion that allotting a certain number of bales to each farm would promote expensive production, because the average farmer would make sure of producing his allotment by planting a maximum of acreage necessary to the production of that amount of cotton. The result would be that a large percentage of the cotton farmers would produce more than the allotment, thus creating waste and running up the cost of producing that covered by the ginning license.

"There could be such a thing as a cotton shortage, too. If consumption would be increased to normal, it is obvious that there would be an undersupply instead of a surplus."

Mr. SMITH. Mr. President, of course, I shall not attempt to argue here any question concerning the constitutionality of the pending bill. As I said on Saturday, I repeat today that I do not think that strictly it would come within the constitutional right; but we have done in the existing emergency so many things, and are now prosecuting so many activities which are no more radical than this, that I think, being equal in their departure from the constitutional sanction, the cotton measure has more excuse for consideration than perhaps any other emergency legislation which has been proposed.

Mr. President, my reason for saying that is this: The Senator has questioned here, by authority of some articles he has read, the benefits that would accrue to the individual planter. He read from an article which appeared, I believe, in the Dallas News, to the effect that people suffered from the plow-up. As a matter of fact, Mr. President, I was the author of that movement. I advocated it on the ground that the Government had a year's supply of American cotton already in hand. It had obtained a part of it through the unfortunate Farm Board. Another part it had taken as collateral against seed loans. Still another part it had taken under what was known as the "10-cent proposition", guaranteeing to the one who would accept a 10-cent basis middling price that if he would enter into a contract to reduce his acreage in 1934 the Government would take what cotton he had made in 1933 and advance him 10 cents a pound on it.

Let us see what the condition was. I know how the Senator from Idaho feels about the question of constitutionality, but I want him to see wherein there was great benefit rather than hardship to the individual planter.

The Government said: "After you reduce your acreage 25 percent, you will get the actual 10-year average, or 5-year average, of what you produced on that 25-percent acreage."

Mr. BORAH. That is, get it out of the United States Treasury.

Mr. SMITH. No. Let me explain. I will repeat what I said Saturday. The Government said, "If you will reduce your acreage 25 percent, get your books and show what your average production was on that 25 percent of your land, and the Government will furnish you bale for bale and pound for pound in what the Government holds at 6 cents a pound; that is, the Government will charge you 6 cents a pound, and if by virtue of the acreage reduction the price of cotton shall rise, the Government will give you the difference between the 6 cents and whatever the rise is."

What are the facts? The farmer made an average crop on the 75-percent acreage. Although he did not plant on 25 percent of his land, his increase on the remainder of his land gave him for the unplanted 25 percent the equivalent of his 5-year average. Every cotton producer knows that it costs from 12 to 14 cents on the average to raise a pound of cotton in the South. What occurred? Cotton went up to 10 cents a pound. The Government deducted its 6 cents, and sent the farmer a check for $20. The Government did not lose a penny, and the farmer got $20 a bale on what he did not produce. So that neither the Government nor the farmer lost a thing, and both of them came out in the clear. I defy any man to dispute that statement.

Mr. CAREY. Mr. President, the Senator said the Government did not lose a penny. What did the Government pay for the cotton?

Mr. SMITH. The Government had paid for the cotton and settled for it with the Farm Board. Some of it did not cost more than 5¼ cents. Some of it cost more. I am not advised as to what was the average cost.

Mr. CAREY. Of course the Government lost the difference in the average price.

Mr. SMITH. I am not speaking of what the Government had done before I made by proposition. I made the proposition that the Government should go on the market and buy it at the market price, which was then 5¾ cents and 6 cents.

I have stated the facts with reference to the cotton farmer who reduced his acreage under the plan which was criticized in the article which the Senator read, which stated that there was a loss to the farmer and a loss to the country, when, as a matter of fact, every pound destroyed was duplicated by the Government out of the cotton it held. The Government is now disposing of that cotton. It has sent the farmer a check for $20 a bale for the allocation of cotton the Government had, which it sold to him at 6 cents. In addition to that, every farmer who reduced his acreage had the privilege of planting anything on that abandoned acreage for home consumption that he saw fit. So that with

what he made on the 75 percent of his land, plus what the Government furnished him in lieu of a full crop, the effect being to reduce the crop by 4,000,000 bales, the price rose from 5 cents to 10 cents, and now 12 cents, and the Government has gotten back every nickel and the farmer has gotten from $25 to $30 a bale. No law was ever enacted on a more constructive or economically sound principle than that.

Mr. BORAH. If such power can be exercised, what is the necessity for this bill?

Mr. SMITH. I will now show the Senator. We had on August 1, 1932, twelve and one half to thirteen million bales of cotton as a carry-over. That means that by virtue of the slump in the export of cotton and the terrific drop in domestic consumption, the world's consumption, both export and domestic, decreased from 15,000,000 bales plus to about 12,000,000 bales. That went on for 3 or 4 years until, on August 1, 1932, we had a carry-over or surplus of 12,000,000 bales of cotton, enough cotton to have supplied the then demands of the world if we had not planted a single cotton seed in the South. If we were to make a full crop again, and pile it up, it would weigh as an incubus upon the industry to depress the price. The problem was, therefore, how could we possibly get rid of this tremendous surplus?

At this point the Government stepped in and said, "If you will reduce your acreage 25 percent, we will give you 4 cents a pound for your cotton over a 5-year average on that acreage."

Every man in this Chamber and in the other House who is familiar with cotton production knows that there is no other plant so sensitive to the seasons as is cotton. Last year was preeminently a cotton year, and in spite of the fact that we took from ten to fifteen million acres out of production, we made about an average crop on what was left of about 13,000,000 bales. Had the whole acreage been left in production, the estimated yield would have been about 17,000,000 bales, adding to the surplus at least 2,000,000 bales if the world consumed 15,000,000 bales, so that on August 1, 1934, we would have had a carry-over of 14,000,000 bales of cotton; but in spite of its being an extraordinary cotton year, we reduced the carry-over by 4,000,000 bales.

Every planter in the South recognized that the exigencies of the weather could not be controlled by him and that he could reduce his acreage and still be disappointed by having a production in excess of what he had hoped for. In addition to that, there were 10 percent of the cotton growers who, as in the case in every other business, would not enter into the acreage-reduction plan. They would go to the meetings, and whoop as loudly as anybody; but when the pinch came, they thought their neighbor would reduce and they would increase, which they did. Not only that, but many who did decrease their acreage increased their fertilizer, trying to make more cotton on land on which they had said they wanted to reduce production.

When Mr. Wallace called me down to the Department and asked me what I thought about the compulsory plan, saying that he was opposed to it, I told him that I, too, was opposed to it. I said, "Never will I join in it unless and except you put it up to the cotton growers of the South. You have every facility to do so; you have the emergency credit system under the Smith Loan Act, and your agents touch every single cotton grower in the South. Prepare a questionnaire, explain what the plan is, and secure the reaction of the cotton farmer."

Mr. BORAH. I will ask the Senator if he has one of those questionnaires?

Mr. SMITH. The Senator can get a copy from the Secretary of Agriculture, and I should be delighted to furnish it to the Senate.

Mr. BORAH. One was sent to me, but I do not know whether or not it is correct.

Mr. SMITH. They replied to the questionnaire, but, in view of the fact that about 10 or 15 percent would not enter into the plan, and others would use more fertilizer, and there also might be an extraordinarily good crop year, it became necessary to secure the enactment of legislation in order to make all conform to an actual commercial standard, namely, a 10,000,000-bale crop, and in order that we would not have more than 3,000,000 bales which is necessary at the end of old season to carry into a new one. Every millman and every clothmaker will testify that it is absolutely essential for the welfare of the trade to have at least three and a half or four million bales of old cotton carried over. The great majority said, "We are willing, we are anxious for you to put us all in the same category and restrict us to a production of 10,000,000 bales, so that the slacker, the man who will not come in and help us get rid of this tremendous and disastrous surplus may be forced to come in. Let us get him in." I say let us coerce him in.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. Yes; I yield.

Mr. BORAH. That is precisely what I say.

Mr. SMITH. I know it is.

Mr. BORAH. The proponents of this bill are invoking the taxing power of the United States in order to punish an individual.

Mr. SMITH. Yes.

Mr. BORAH. That is precisely what they are doing.

Mr. SMITH. That is precisely what I am saying, that if 85 percent of the producers believe certain action is essential to their salvation and they can find a temporary remedy, they should have it applied. I should not like to have a major operation for appendicitis every year, but, God knows, if I were suffering from appendicitis I would go and have my appendix taken out, hoping to get well and then go on and attend to my business. The farmers have got this horrible appendix, and we are asking the Federal Government to help us cut it out; let the surgeon sew us up, and then take its hands off and let us alone.

Mr. BORAH. Because the Senator must have his appendix out, he would not compel his neighbor to have his out also, would he?

Mr. SMITH. If he were suffering from appendicitis I would, if it were contagious, as the cotton situation seems to be.

Mr. BORAH. We have an admission now as to exactly what it is sought to cover by this bill.

Mr. SMITH. Yes, sir.

Mr. BORAH. And that is that a small percentage of the cotton growers will not go along with what the Senator says is the program, and, therefore, the proponents of this bill are going to invoke the taxing power of the United States for the sole purpose of driving them into it.

Mr. SMITH. I admit frankly, without any subterfuge, that that is what I am driving at; just as the Congress passed the Draft Act to force men to enter the Army and fight and did not dare risk voluntary service—and this is war.

Mr. BORAH. I did not vote for the Draft Act. I did not believe in it.

Mr. SMITH. Yes, that is the Senator's opinion; but a majority thought otherwise; and I hope to God a majority of the Congress will think otherwise in respect to the pending measure. The Senator and I cannot have our opinions accepted all the time.

Mr. BORAH. I think it is a pretty serious proposition when it is sought by the taxing power of the United States to take away a man's liberty to pursue his peaceful and legitimate vocation.

Mr. SMITH. If the Senator from Idaho can get the consent of his mind to the proposition that 10 percent of greedy and avaricious men can keep in bondage 85 or 90 percent, and that they are entitled to pursue their way and have this horrible condition continue in my section, and if the Senator is not willing to strain even the Constitution to relieve the rank and file, then I am mistaken in the Senator from Idaho.

Mr. BORAH. Mr. President, as I understand, this Government was organized and is maintained for the purpose of protecting the rights and the liberties of the minority.

Without that, it would not be worthy of the name of a government.

Mr. SMITH. Mr. President, I was of the opinion that, being a representative form of government, we were governed by majorities. I know that the welfare of the minority should be protected if such protection does not jeopardize the welfare of the majority; but what kind of a doctrine is it that a minority which threatens the welfare of a whole community may invoke the Constitution and destroy the majority?

Mr. BORAH. That is exactly the kind of doctrine that Lenin set up in Russia; when a few of the tillers of the soil claimed the right to possess some of the things which they had produced, a very small minority, he invoked the powers of the dictatorship for the purpose of driving them into the penitentiary.

Mr. SMITH. I am not talking about the powers of a dictatorship.

Mr. BORAH. What is a dictatorship? This would be congressional dictatorship.

Mr. SMITH. I am invoking the power of the majority affected by this condition; and that is the reason I am advocating the bill.

Mr. BORAH. That is exactly what Lenin did. He invoked the power of the majority, and he was the majority. He had behind him about 80 or 85 percent of the tillers of the soil of Russia.

Mr. SMITH. Is that what the Senator is trying to do now?

Mr. BORAH. The kulaks, as he called them, did nothing more than to acquire property and seek to hold that property; and the minority in this instance are seeking to do no more than to avail themselves of the channels of interstate trade, which is protected by the Constitution of the United States.

Mr. SMITH. Oh, yes; that is a fine theory when it does not doom to peonage every other man in the Cotton Belt.

Mr. President, I am not going to stand on the floor of the Senate and have the Senator from Idaho or any other Senator challenge my loyalty to individualism and to the sovereign power of the States; but, since we in the Cotton Belt have gotten into the unspeakable condition in which we now are, with banks paralyzed, with trade paralyzed, we ask the Federal Government to invoke the taxing power upon the voluntary request of from 85 to 90 percent of those in distress, who say, "We want to be bound temporarily until the trade may be assured that neither the exigencies of season nor the selfishness of 15 percent of the planters shall abort and make futile our efforts to recover from this incubus."

Mr. President, the proposition, outside the taxing feature, is identical with what was done last year. The Government proposes to reimburse the cotton growers for the acreage removed from production. It is desired now to reduce the cotton acreage 15 percent more, making the entire reduction 40 percent, not for the purpose of reducing cotton production in America to American consumption, but to get rid of the load of the surplus which has been accumulated during the dark days of this horrible depression. The Government has come in and offered to give a rental for the acres taken out of cotton cultivation and, with permission to the owner of the land or the tenant of the land, he may plant anything for home consumption he may see fit.

Mr. VANDENBERG. Mr. President, what does the Senator mean by "home consumption" in that respect? Is that a specific provision of the bill?

Mr. SMITH. Yes. It means that he may plant anything with which to feed his stock or any grain for his home consumption, or he may produce milk or butter for consumption on his own place.

Mr. VANDENBERG. He is confined to the production of a commodity which he will consume this year?

Mr. SMITH. Yes; to be grown on the acreage which the Government rents but not on the remainder of his land—only on that which he has leased to the Government.

Mr. VANDENBERG. In other words, the cotton growers cannot use, we will say, this 25 percent of retired acreage substantially to increase dairy products or other crops in the South?

Mr. SMITH. That is correct; the cotton growers cannot substantially increase their wheat crop or their corn crop. It would not be fair to say to the South, "Go on and plant wheat for the market, plant corn for the market." The Government has leased the land so that all interests may be dealt with fairly.

Mr. VANDENBERG. Is there anything in this bill that warrants the statement the Senator is now making?

Mr. SMITH. Certainly it is in the bill; and it is one provision against which some of the farmers are protesting. I will ask the Senator to look at page 9 of the bill.

Mr. President, it is all very well to talk about appropriating billions of dollars for the railroads, for insurance companies and banks; it is all right to provide $3,300,000,000 for the N.R.A. and many hundred millions for the C.W.A.; but when we want to try to help the fellow who feeds us and clothes us and shoes us, that is a gray horse with a gingham tail. [Laughter.]

There are 6,000,000 actual farmers, each with an average family of 4, a total of 24,000,000 American citizens struggling every day even to hold onto their ownership of the land, with taxes and mortgages dispossessing them and putting them into the breadline; and when we ask here on this floor for $100,000,000 to help them stay in their homes and maintain their self-respect and love for the flag, the caviling crowd here and elsewhere cut it down to $40,000,000. They have paid back 90 percent plus out of the miserable amount they got, and that in spite of the Gethsemane through which they have passed.

Go into the average farmer's home in America. See the condition of his bedroom, the condition of his sittingroom, the condition of his home in general. Yet the average production of these voiceless and helpless ones spells the luxury we find in our restaurants here in the Capitol, spells the upkeep of every metropolitan center in America. We are fed by the products that the farmer himself produces in poverty. We wear the clothing made out of the raw material he produces. Our feet are shod with the results of his labor. Yet the minute we talk on the floor of the Senate about helping him, the Constitution is invoked; and if that is not done, then the amount asked is reduced to the point where it is ridiculous and impracticable.

Two billion dollars are appropriated to build new homes for people, and only $40,000,000 appropriated to keep people in the homes which they have owned and are about to lose, to enable them to retain their self-respect, to enable them to feed and clothe us. Then Senators read some journals inspired by the ginners who get the same ginning fee whether cotton is 5 cents or 50 cents a pound.

The Senator from Oklahoma [Mr. THOMAS] and I sat in a conference in which the head of the National Ginners pleaded for more bales. That is what they want. The press men said, "Give us more bales." Of course, the wolf wants as many lambs to eat as he can get. [Laughter.] That is his business. Every cotton speculator gets the same percentage under the fifth or the sixth contract whether cotton is 5 cents or 50 cents a pound. They are organized, and the arguments published in their organs appear very persuasive. One of the basic arguments used by them is, "We have millions invested in cottonseed-oil mills and in gins." I said there was an Ethiopian in the woodpile. As soon as I read it I discovered the bug under the chip. The ginners want more cotton because they will get more money. They want more seed because then the seed men can press out more oil.

We do not find the old farmer getting publicity in the press, but only those who farm the farmer. The farmer has not the time; and if he had the time, I would wager any reasonable amount he could not get an article published in the press. The minute he protests against his poverty and his rags and conditions which cause his children to be ignorant, he is called a Bolshevik. I say now that Bolshevists are

being made by the hundreds and thousands as a result of the stupid manner in which we are treating the yeomen of this country, who have always saved America when her independence was threatened.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. I yield.

Mr. McNARY. I hesitate to disturb the Senator in his oratorical flight, but I really should like to have a point cleared up a little. The Senator correctly describes the condition of agriculture in the South which obtained a year ago, but is it not a fact, in view of the amount of money that has gone to the South during the last 5 or 6 months, that the standard of living has greatly improved? As I recall the figures about $120,000,000 has gone to the cotton farmers of the South during the last 5 months on account of distributing the processing tax, and about $116,000,000 has been paid to them through the collection of this tax. The condition the Senator is describing so pitifully does not obtain today by virtue of an act of Congress passed here last April, as the result of which many millions of dollars have gone into the South for the benefit of southern farmers.

Mr. SMITH. Let me answer the Senator. He must have thought we were very near prosperity if two or three hundred million dollars could bring the people back, who in 1929 got $1,500,000,000 for their cotton crop, and even then could barely make ends meet.

Mr. McNARY. I am not quarreling about the price. I am asking if there has not been a substantial improvement.

Mr. SMITH. There has been much less debt incurred, but the cotton farmer has nothing with which to buy new equipment. He has nothing with which to improve the condition of his home. He just went a little less in debt.

Mr. McNARY. Is it not true that when the Agricultural Adjustment Act became effective last spring cotton was selling at 5½ cents a pound and is now worth 9½ or 10 cents a pound?

Mr. SMITH. That is true, but it costs him 15 cents to make the cotton.

Mr. McNARY. I should like to know if the enactment of this bill will assure any greater sum being brought to the cotton producer than would be brought to him under the Agricultural Adjustment Act if it were left alone to work in its own field.

Mr. SMITH. Oh, unquestionably.

Mr. McNARY. I should like to have the Senator from South Carolina answer a further question. It is thought by the Department, under the machinery they now have and which they are invoking under the Agricultural Adjustment Act, that this year there will be a reduction of some 25,000,000 acres by the voluntary action of the farmers of the country reducing their acreage. It is thought that the processing tax may be estimated at from $135,000,000 to $140,000,000, which is $15,000,000 or $20,000,000 in excess of the sum paid the farmers this year. What provision of the pending bill can the Senator cite which, if the bill shall be passed, will insure a larger income to the cotton farmer than if the Agricultural Adjustment Act shall be left to operate exclusively in its own field?

Mr. SMITH. For the same reason that everybody looked last year for a crop not to exceed 10,000,000 bales, when as a matter of fact 13,000,000 bales were produced. I could read from official figures issued by the Department of Commerce through the Bureau of the Census to prove that we made 3,000,000 more bales last year on 4,000,000 less acres than we did the previous year.

What we desire is this: The trade is already saved. If we cut down acreage 40 percent and plant 60 percent, with increased fertilizer and an excellent season, with 15 percent not affected at all, we will make just as much cotton as we made last year, and the price will go back to 8 cents a pound.

The exigencies of the weather are beyond our control, as is the amount of fertilizer which may be used to increase the crop indefinitely, because on 1 acre in my State, by high cultivation and artificial irrigation, 4 bales of cotton were grown. That is an extreme example, but it shows the possibilities. What we wanted to do was to assure the trade that we would get rid of the surplus by August 1, 1935. Therefore, if we can pass this bill and guarantee that only 10,000,000 bales will reach commerce, with the 10,000,000 bales we already have, which will be available August 1, we shall then have as the American supply of cotton for 1934–35, 20,000,000 bales; and if consumption shall proceed at its present pace, we will consume fifteen and a half million bales in 1934–35. That will leave on August 1, 1936, only about 5,000,000 bales, which is only a million and a half bales above what the trade must have in stock. Thus the miserable incubus will have been removed. The passage of this bill will serve notice that the trade can count on only 20,000,000 bales. It will stimulate the price to the point where what cotton we do make will bring us more profit than if we produced a larger quantity. The very statement of the case should be sufficient. We practically failed in our production of cotton last year, and the rise in the price of cotton up to 10 and 11 cents still lacks from 4 to 5 cents a pound of being what it cost to make it.

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

Mr. SMITH. Yes; I yield.

Mr. McNARY. I concede that the Senator from South Carolina probably knows more about the practical culture of cotton than any other Member of either branch of the Congress. With that as a preliminary remark, I desire to state that I read in the hearing before the Senator's committee that Mr. Johnson, introduced by the Secretary of Agriculture, said there was a profit in cotton at the present price.

Mr. SMITH. Yes, sir; and Mr. Johnson is the president of an English syndicate that plants 40,000 acres of cotton for the benefit of European competitors. If the Senator wants to take Mr. Johnson's testimony, let him take it.

Mr. McNARY. I am not taking his testimony altogether. I am considering the very fine estimate placed by the Secretary of Agriculture upon this gentleman, who is head of the cotton division of the Democratic administration.

Mr. SMITH. Yes; and we have men in the cotton division from Sweden, where they make magnificent cotton in a foot of snow at 10,000 feet elevation. We have them down there—oh, yes! I guess we have wheat men down there who may have come from the Arctic Circle. I think so. [Laughter.]

Mr. McNARY. If I cannot rely upon the administration of the Senator's party for an estimate of an individual connected with it, where shall I go?

Mr. SMITH. The Senator from Oregon is in the same fix that he was in under his beautiful Republican administration, because I sent down and got the names of those in charge of the cotton division at that time, and there was not one of them from south of Michigan—not one—and I believe the same bunch is there now.

Mr. President, I want to appeal to my friends on the Republican side of the Chamber. One of the happiest results of my experience here for a quarter of a century is that on their side of the Chamber I have as warm and appreciative and appreciated friends as I have in this Chamber; and I do feel that I have never come here and asked them to inject a false principle into our real life.

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

Mr. SMITH. I yield.

Mr. McNARY. I do not want to be insistent, but I should like to press this question again: There is now operating in this field, under the administration of the Senator's party, the so-called "Agricultural Adjustment Act", which brought the farmers of the South last year about $120,000,000.

Mr. SMITH. Yes.

Mr. McNARY. And which it is anticipated will bring them at least $25,000,000 more this year.

Mr. SMITH. I think it will bring them three or four hundred million dollars more if this bill shall pass.

Mr. McNARY. Very well. I desire to know what additional benefits over existing law will be received by the farmers of the South by the supplementation of this bill, and how does the Senator arrive at these figures? The Senator has not discussed that phase of the question at all.

Mr. SMITH. How do I arrive at what figures?

Mr. McNARY. The figures of the higher amount that will be derived if the so-called "Bankhead bill" shall be passed over and above the benefits which will be derived through the existing law.

Mr. SMITH. Because the trades say, "We do not know what quantity of cotton you are going to make; but if you pass the Bankhead bill, we will know to a certainty what we can depend on for our supply."

Mr. McNARY. I think the Senator wants to be fair in his presentation.

Mr. SMITH. I cannot be any fairer than I am.

Mr. McNARY. That is not going very far.

Mr. SMITH. Well, it is owing to the receiver, and not the distributor. [Laughter.]

Mr. McNARY. With cotton at 10½ or 11 cents a pound today, and assuming that the Agricultural Adjustment Act will maintain cotton at the present parity price——

Mr. SMITH. The present price is not the parity price.

Mr. McNARY. The present price, then.

Mr. SMITH. Very well; but do not call it "parity."

Mr. McNARY. That may be a little higher. What additional amount of money per pound will the maker of cotton receive under the Bankhead bill than if it should not be passed, and the present statute should be permitted to exist without supplementation?

Mr. SMITH. I have tried to tell the Senator.

Mr. McNARY. The Senator may have tried, but he has not done it.

Mr. SMITH. I cannot furnish the Senator brains to take in a simple fact. [Laughter.] If I could, he would not ask the question.

The trades are holding the price where it now is because they have no certainty how much cotton will be added to the surplus. Under the Bankhead bill, they will know to a certainty that there will not be in excess of nineteen to twenty million bales. Therefore, having a certainty that they will not be flooded with the same surplus, the price will naturally go up. I will guarantee the assertion that if the Bankhead bill shall pass, with the proper amendments which the Senator from Alabama will offer so as not to make it obnoxious, cotton will go to what is now the parity price under the N.R.A., 15 cents a pound. That is where it will go.

In addition to that, the farmers themselves hold an equity in nearly 4,000,000 bales of cotton held by the Government. They will get a benefit from that if the price shall go to 15 cents per pound. They will get more for what they make, and they will get 4 cents a pound for the cotton they do not make on the abandoned acreage. That means that with a guaranteed supply of American cotton, the maximum of which will not exceed 20,000,000 bales, and the world consuming fifteen and a half or sixteen million bales, the operation will be complete. I think then we can just let the patient recover and return to his normal condition.

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

Mr. SMITH. Yes; I yield.

Mr. McNARY. I appreciate the interest the Senator has in this proposed legislation, as a grower of cotton, one of the largest in the South. I am speaking from a nongrower's standpoint. The Secretary of Agriculture of the Senator's administration, Mr. Wallace, and his two able assistants, Mr. Johnston and Mr. Cobb, say the same price level will be attained by permitting the bill we passed last April to operate as if we passed the Bankhead bill.

Mr. SMITH. Must I beg my colleague, whom I love and respect generally, not to quote Mr. Wallace to me, or Mr. Oscar Johnston, or any of the other gentlemen who, if they knew just twice as much about the subject as they do, would still have only a half-knowledge of it? [Laughter.]

Mr. McNARY. The able Senator has answered my question. In other words, he would not believe the Secretary of Agriculture or anyone associated with him.

Mr. SMITH. No; I would not believe the Secretary of Agriculture on the cotton question, and he will tell the Senator that he knows nothing about it. He does not hesitate to say so. He is an honest man, and I respect him and think a lot of him; and he frankly admits that he does not know anything about the cotton question. He does not belong to the "brain rust." I started to say "brain trust", but I will say "brain rust." [Laughter.] I do not think he fits into that.

I have found him to be a modest gentleman who is seeking the truth; and I am surprised to find my friend from Oregon rising here and quoting experts from Alaska as to how to grow cotton down in the semitropics. That is about our general method of getting experts. Referring to the tremendous surplus of experts we have, someone defined them by saying that an expert, in the common acceptation of the term, is a damned fool away from home [laughter], and that seems to me about to fit.

Mr. President, I have stated my case. I have given the facts. I have said, and repeat, that I do not endorse the principle of Federal interference in the affairs of a State, especially when such interference seems to be unconstitutional; but I am willing to try this measure, as I believe it will result in the salvation of my people, and 85 percent of them have asked for it.

The Senator from Idaho has quoted the Dallas News here. Find out who are the major operators around Dallas. The Senator from Ohio [Mr. FESS] has inserted in the RECORD an article from a Manning, S.C., paper, and the writer of the article frankly says the passage of this bill would jeopardize the investment in cottonseed mills in that vicinity. We find thousands of defenders of organized capital, but precious few voices raised for the man who is voiceless here.

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

Mr. SMITH. Yes; I yield.

Mr. FESS. I appreciate the Senator's sincerity in everything he says. I am wondering whether we are not embarrassed by a measure of this kind when we think of the amount of time and energy and money we have expended in building up the Agricultural Department to the point where it has the largest collection of experts in the world and when we think of the great sums expended annually for the land-grant college work and agricultural experiment stations, having followed the Senator in his advocacy of the agricultural extension work, in all of which the emphasis is placed on production. The population is constantly growing, the demand for food will be constantly greater, and there is a fixed acreage from which food can be produced. Now, after all this money has been expended to make the acre produce more, we have come to the point where we say to the farmer, "We will penalize you if you do produce more." Is not that a striking inconsistency?

Mr. SMITH. Mr. President, let me call the Senator's attention to where the fallacy lies. We have spent all the years up to this time teaching the farmer how to grow more, and have never tried to teach him how to market what he grew.

Mr. FESS. I think there is truth in that.

Mr. SMITH. Not a single effort was made to teach him the economics of distribution. Millions and millions of dollars of expenditure are making 2 blades of grass grow where 1 grew before, but no attention has been paid to teaching the farmer how to find a market for the 2 blades. Now attention has been paid to trying to aid the farmer in finding a profit for what he does make, and we have a storm of objection.

Mr. President, I had not intended to take the floor again on this bill after my remarks on Saturday, but I wish every farmer in the United States could sit in these galleries for 1 day and see how many real sincere friends he has. I should like to have him see them. We will strain at a gnat and swallow a camel if something is proposed for the benefit

of a railroad, or a bank, or for a home loan, or C.W.A., or P.W.A., or the other alphabetical things, but there is objection if we propose something for the man who toils in the summer's sun and the winter's cold, with covering so scarce and bedding so thin that he and his on these bitter nights must sit up all night to keep a fire going, and then at the crack of day be out to do the chores, improperly clad, with hope almost destroyed in his heart; but out of the aggregate of his pittance he makes it possible for us to enjoy the luxury of a Senate restaurant, to clothe ourselves with that which he starves himself to produce. Yet men sit here and talk about statesmanship and patriotism.

Mr. President, there are two kinds of patriots in the United States. One is the "p-a-y-t-r-i-o-t", and God knows there is a bunch of those. Then there is the "p-a-t-r-i-o-t." The supply of the latter kind is as thin as hempseed, but you will find plenty of patriots when you speak about organized forces.

Mr. President, I am not going to stand here and inveigh against organized forces, because I believe they have built America, and made possible the splendid estate which we all enjoy. But the discoveries of genius were not their work. God touched the brain of man to perform the miracles which are being performed every day, but that inspired brain does not get the money return from what it discovers. We are making labor-saving devices in the United States, and the wonderful facilities for transportation and communication a juggernaut car to crush the life out of the teeming masses of America. We have converted the blessings of God into a veritable human curse. As we devise the machines which release human hands from toil, we put those human hands in the road and under the hard heel of destitution and poverty, and deny men their just equity in the discoveries of science.

We have come to the birth of a new era, and here we are invoking in the Senate men to rise to the occasion and lay aside prejudice, and help us out.

Men cry "Constitution!" "Constitution!" If we do not watch our step, we will pass through an experience that will write a new constitution, and see that it is lived up to.

Mr. ROBINSON of Arkansas. Mr. President, with the consent of the Senator from South Carolina [Mr. SMITH], I should like to ask a question concerning the effect of section 5 of the bill. I should also like to have the attention of the Senator from Alabama [Mr. BANKHEAD].

The assertion has been made by persons connected with the cotton trade that under the provisions of the bill the entire amount which may be produced in a State in which cotton mills are located could be consumed by the mills without payment of the tax.

Mr. BANKHEAD. Mr. President, the tax is levied on the ginning of cotton, and the tax is on lint cotton.

Turn to definition (f) on page 22:

> The term "lint cotton" means the fiber taken from the seed cotton by ginning.

In other words, whether the seed is separated from the lint at a cotton mill or at a gin the tax is paid.

Mr. ROBINSON of Arkansas. I take it, then, that it is not true that mills in the State of Alabama, for instance, might have their entire supply, up to the amount of the cotton production in the State, without payment of the tax?

Mr. BANKHEAD. A mill in Alabama cannot use a pound of lint cotton without paying the tax on it.

CANCELATION OF AIR-MAIL CONTRACTS

Mr. BAILEY obtained the floor.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. BAILEY. I yield.

Mr. FESS. Mr. President, on the evening of the 20th of March Capt. Eddie Rickenbacker made an address to the board of trade of this city. I have read the address carefully, and it is filled with information on the progress of aviation. He painted the picture of the small beginnings and the rapid progress of aviation. I will not take time to read excerpts from the address, but I ask unanimous consent to have it inserted in the RECORD, together with some editorials and letters.

Mr. ROBINSON of Arkansas. Mr. President, there was so much confusion that I could not hear what the Senator was saying. What is the address to which he refers?

Mr. FESS. An address by Capt. Eddie Rickenbacker before the board of trade of this city on the evening of March 20.

Mr. McKELLAR. Mr. President, will not the Senator withhold his request, and let me look at the address for just a moment?

Mr. FESS. I am glad to hand it to the Senator.

Mr. President, there has come to my hand from the Department of Commerce its latest bulletin, issued on March 15. This bulletin especially refers to casualties in aviation during the last year, and states:

> American-operated scheduled air-passenger lines flew 7,159,106 miles for each of the four fatal accidents occurring during the last half of 1933, according to the Commerce Department's semi-annual report on civil-aircraft accidents in scheduled air-transport services covering the period July–December 1933.
>
> The 4 fatal accidents included 2 in which passengers were fatally injured. There were 6 passenger fatalities; and as the passenger-miles flown were 122,157,686, the number of passenger-miles flown per passenger fatality was 20,359,614. (A passenger-mile is the equivalent of 1 passenger flown 1 mile.) For the full year 1933, there were 8 passenger fatalities and 24,850,010 passenger-miles flown for each one.

I do not ask that anything further from the bulletin be inserted. I only wanted to have that fact brought to the attention of the Senate.

Mr. President, is there objection to the insertion of the editorials to which I have referred?

Mr. McKELLAR. I have not seen the editorials.

Mr. FESS. Does the Senator object to the editorials being inserted in the RECORD?

Mr. McKELLAR. To what do the editorials relate?

Mr. FESS. To the air-mail situation, and they are from newspapers all over the country.

Mr. McKELLAR. Will the Senator let me see them for just a moment in order to look them over?

Mr. FESS. I will be very glad to do so. I do not want to take the time, Mr. President, from the Senator from North Carolina; but if these editorials are not permitted to be inserted in the RECORD, I shall read them. But I will not take the time from the Senator from North Carolina.

Mr. ROBINSON of Arkansas. I suggest to the Senator that he renew his suggestion a little later.

Mr. FESS. Very well.

Mr. FESS subsequently said: Mr. President, I ask unanimous consent to insert in the RECORD the address of Captain Rickenbacker, and also the editorials, with all personal opinions omitted.

Mr. McKELLAR. I have no objection. I have read the address and the editorials. I do not agree with them at all, but I have no objection to their being printed.

Mr. ROBINSON of Arkansas. I have no objection.

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

CAPT. E. V. RICKENBACKER'S ADDRESS BEFORE THE WASHINGTON (D.C.) BOARD OF TRADE, MARCH 20, 1934

Mr. Toastmaster, ladies, and gentlemen, it is my great privilege to be here tonight and try to picture for you the present situation in aviation, as I see it.

I do not propose in this address to discuss the cancelation of the air-mail contracts. The issues in that action are being threshed out in another forum. I myself confidently believe that the air mail will be put back into the hands of the commercial companies, and I believe on terms that will undertake to be fair to the companies and to the Government, and that will also be fair to the country, and stimulative of progress in commercial aviation.

The one reason why this air-mail problem has developed so rapidly into this snarl is that the representatives of the Government and the representatives of the companies are still so disturbed and stirred over the difficulties that cancelation has made for the companies and for the Government that each side is thinking largely in terms of personalities instead of in terms of the fundamental questions at issue.

Why do I have a supreme confidence that the ultimate outcome will be satisfactory to the companies, to the Government,

and to aviation? I'll tell you why I hold the confidence I do. It is because in my opinion the final judgment for all parties at interest will be directed from the White House. And I know that the President of these United States is fair-minded and is air-minded. That is, I think, sufficient good reason for my faith that this issue which has swept over the entire Nation and caused such bitterness will be decided by the President in the spirit of the square deal and with equal and exact justice to all.

In any modern industry improvements in equipment and mechanics come so fast that they often overshadow policy. We who are so interested in these things are prone to lose sight of the fact that policy should lead mechanics into progress.

The policy on which the aviation industry has been operating until a recent date was stated in 1926. Briefly, it was that for national defense the United States needs a reserve of aircraft-manufacturing plants capable of meeting war-time requirements. To keep these plants 50 percent busy there should be orders from the Army and Navy air forces, the private pilots of the country, developed and encouraged by the Department of Commerce, and orders for transport equipment from the air lines aided by Government funds paid for flying the mail.

The policy based on that foundation has been successful, and I will soon explain why. Eight years have elapsed, and 8 years is a long time in aviation.

Let us see where this policy has brought us in 8 years.

Five weeks ago the air lines of the United States were carrying an average of 1,500 passengers, the equivalent of 675,000 letters, and about 5,000 pounds of express every 24 hours. Nearly half of that traffic was flown at night.

We had in service—all lines combined—600 airplanes, 1 for every 9 Pullman cars. Every airline company was proud of its record because it was completing more than 85 percent of its schedules. Service was being improved month by month, year after year. From 23 cities and towns served by air transport in 1926 the number had grown to 178 early this year. We served directly the trading areas for about 60 percent of the population. We served directly about 90 percent of the manufacturing facilities of the Nation. Our speed had increased. From 100 miles an hour 2 or 3 years ago it had jumped to 180 miles; yes, 200 miles an hour—more than 3 miles a minute, this year.

All told, our domestic and international airlines had nearly trebled the length of their routes in 5 years—from about 16,000 miles in 1928 to more than 47,000 miles of routes in 1933.

Those lines with air-mail contracts were doing nearly all the flying. In other words, they were providing most of the service.

The contract mail lines were flying an average of about 150,000 miles every 24 hours. The nonmail lines were averaging about 7,000 miles, flying only in daylight.

The mail lines were doing more than 26,000 miles of flying without mail every 24 hours, for which they received only revenues from passengers and express traffic.

The contract mail lines were flying day and night. The rules varied somewhat on different lines, but in general they required that a pilot must first have had at least 1,200 hours as an aviator before he could take charge of a plane. There were about six employees on the ground for every pilot in the air, to see that he made his trip safely and efficiently. The planes were in the hands of trained mechanics 2 hours for every hour spent in flight. That cost money, and it was worth the expense. The lines had established and completely equipped flying bases, repair shops, radio and weather-reporting stations, and testing depots for equipment at 162 airports in the United States.

This is only part of the picture. The aviation industry as a whole employs 20,000 persons directly and 75,000 indirectly. I believe that more than 100,000 wage earners make a living through aviation enterprises and the allied industries.

There are 450,000 aviation stockholders distributed in every section of the country.

There are no less than 100,000,000 users of the air mail. More than 2,000,000 persons use it every day, including the person who mails a letter and one who receives it and the others directly affected by that letter.

Our air-transport industry was one of the first to cooperate with the N.R.A. The air-transport code, which became effective last November, provided for a 15-percent increase in employment and a 20-percent increase in pay-roll expenditures. The contract air-mail lines last year ordered upward of $8,000,000 worth of new equipment. Actual production of more than a hundred new transport planes for the air lines in 1933 increased the total commercial airplane production value 164 percent. The contract-mail lines were spending a very large part of their revenues on new equipment.

Their revenues came from three sources—passenger, express, and mail traffic. Mail payments formed about half of the average airline revenues.

The Budget for the present fiscal year, ending next June 30, provided $14,000,000 for domestic air-mail payments.

For that amount the lines were scheduled to do about 36,500,000 miles of flying with mail. That represented an average payment of about 38 cents a mile.

Now you have heard much talk about overpayments, subsidies, and the like.

I want to say a word about these payments. Congress in its air-mail legislation at intervals declared a national policy which had for its purpose the development of an air transport system second to none on land or sea or in the air over the other countries. The purpose was to develop a fast, reliable, safe, and comfortable service for all three classes of traffic—passenger, express, and mail.

It was taken for granted that the growth of traffic would ultimately make air transport profitable—profitable for the lines and their 450,000 stockholders; profitable for the people of the Nation, speeding up business and travel; profitable for the Government as a self-supporting arm of the national defense; profitable for the Post Office Department, which could make a profit on contract air-mail operations.

That, my friends, was the intent of Congress in passing air-mail legislation. By adopting that policy Congress lent an ear to the hundreds of communities which clamored for air transport service.

What happened to that plan? Why was it not carried out? What happened to create a situation which became apparent more than a year ago?

More than a year ago the contract mail operators were unhappy and dissatisfied. They were losing money. They were not growing as rapidly as they should, as they knew they could grow.

First among the causes, of course, was the depression. But here, unlike other industries, air transportation had more than held its own. It had increased employment and improved its service every year.

The actual source of the trouble was the air-mail rate. In July 1932 air-mail postage was increased from 5 cents an ounce to 8 cents and 13 cents for each additional ounce. That automatically reduced air-mail poundage by 24 percent. Last year the lines carried about seven and a half million pounds, an amount equal only to that of 1929, when the industry was just beginning to creep out of the experimental stage.

Obviously there was only one remedy for that. The air-mail structure should be reorganized. The air-postage rate should be reduced. The public should no longer be penalized, or taxed, for using the air-mail service.

Many Nation-wide surveys among all classes of business and industry showed that we should have lower air-mail postage. There was plenty of evidence to prove that three classes of air mail would be popular, say a 5-cent letter, a 3-cent lettergram, combining letter and envelope in one sheet of paper, and a 2-cent air postcard. Such rates would popularize air transportation. The Government could not lose. It risked nothing. It was at liberty to change the rate of payment to the lines. The Postmaster General might reduce the rates of payment at will. In this prospect the operators had only one concern. They alone knew the exact cost of operations. They knew the difference between safe, efficient, fast transport and cheap transport. I use the word "cheap" in its true sense. They knew that it would be quite possible to put a parachute on a pilot, and let him take off in an open-cockpit plane, in daylight, with a light load of mail, possibly 100 pounds. The pilot might fly his course as long as he could see it; and then come down. If he didn't see a good landing field, he could jump. Such mail service, without passengers, might be provided for about 20 cents a mile. But who would want it?

Throughout the development of the airline network there had been keen competition. Each line, regardless of whether it operated over exclusive territory or not, had tried to improve its service, developing better planes, improved servicing facilities, and more expert personnel, which comes only with years of training, discipline, and experience. The air lines conducted a continuous program of improvement, because it was good business to do so.

From any viewpoint, no line could afford to cease development work and risk having competitors extend operations into its territory with better planes and more reliable service.

During 1933, due to aggressive traffic promotion and improved equipment, the contract mail lines increased their passenger and express business to such an extent that they looked forward to this year as one of great promise, a year in which they would play their part in speeding the Nation back to recovery, a year which would see vastly improved passenger and express service, and with the cooperation of the Post Office Department, a new air-mail program, one calculated to become increasingly profitable to the Government and the public.

That, my friends, was the picture last January.

Tonight the air lines of the United States are operating without mail contracts.

Tonight the aircraft equipment of our air forces is being closely scrutinized. It has been stated here in Washington that the products of our airplane and engine plants are not as good as those of other nations. These other nations do not agree, apparently, with that statement. In 1933, 32 percent of our aircraft-equipment production was sold in other countries. Other great nations were sending representatives here to buy our planes and engines and navigational devices; and in many instances were trying to secure rights to manufacture our products abroad.

This foreign market, which is greater in percentage than the foreign market for American automobile products, has been obtained in the face of the keenest European competition. European governments are using every means within their power to discredit American aircraft products and to take these markets for their own. During the last 3 months Washington has become infested with foreign propagandists, intent upon using disgruntled and unpatriotic Americans, among other means, to discredit and retard American aviation. They have attacked our air transport and our aircraft manufacturers, knowing that the two are interdependent; and that to weaken one weakens the other.

This campaign has gone on long enough. Its end is in sight.

We are fortunate in having a President whose experience in national defense has ranged over 16 years. He has demonstrated his constructive forward-looking policy with his Navy program. Unless I misinterpret the press, he is about to do the same with aviation. I, for one, am sure of this, now that he has taken matters into his own hands.

Let us see what may be expected of aviation within the next few years as a result of a new policy which, I believe, is forthcoming.

In the light of what we know to be technically possible, we may be sure of transport planes soon making 250 miles an hour and military planes doing 300 miles an hour. Incidentally, do not be misled by reports that our own air forces have permitted their equipment to lag behind that of other nations in performance. Type for type our air-force planes equal any built abroad. They are just as fast and they will fly as high and perform just as well in a flight or raid. In the quality of our bombers and fighters we are ahead of the rest of the world.

We are weak in numbers. We are not keeping pace with other powers in experimental work of the kind which requires 3 years for final development. The reason is that Congress has not appropriated enough money for air-force equipment, development, and training. I repeat, however, that in quality we are the equal of others.

Let us get back to air transportation. Two years of intensive development work in close cooperation between designer, builder, and air-line operators are required to produce transport planes of outstanding performance. We cannot discontinue that development today and hope to be the equal of other nations in 2 years. We must carry on. I am confident that we shall be permitted to do it.

In that event we can be sure of passenger, mail, and express services spanning this continent in 10 hours from coast to coast. We can count upon a trans-Atlantic service only 15 hours between terminals. We can be sure of a trans-Pacific air service at no less than 2 miles a minute, and eventually faster than that. We now have in our Pan-American Airways System transportation to the most distant capitals in South America within 7 days. In the next few months, with the new equipment, that time will be cut to 5 days. Knowing what that will mean to our people traveling between the two continents or delivering merchandise, I venture to predict that even this time will be further reduced.

Don't for a moment believe that technical progress has even approached a halting point. The number of aircraft inventions acknowledged by the Patent Office here last year was the greatest of any year in history, and 100 percent over the previous year. Time must elapse before those inventions are translated into everyday practical use.

Yet we are not taking anywhere near full advantage of what we have available today. To limit air transport to 168 cities and towns in our big country is utterly unthinkable. Instead of 168 towns we must have thousands of towns served by air transport.

Our present air-mail line network is a fairly comprehensive trunk-line system, quite capable of absorbing the passenger, express, and mail traffic fed into it by scores of branch lines criss-crossing every State. It must be so. It cannot be stopped. Halted temporarily perhaps, but only for the time being. Not one of the executives of these air lines has believed for an instant that the years of pioneering and the expenditure of capital, the devotion to an ideal bent on making this a flying age—not one of these men has permitted himself to believe that this private initiative would be thrown into the discard.

We in the industry have studied the development of surface transportation. We know precisely how the railroad and the motor car revolutionized our life, both as a nation and as individuals. Theirs was a struggle at first. They made mistakes, as have we. Their technical development followed close upon the facilities made available. The steel rail paved the way for fast trains and luxury. The paved highway opened wide the door of a new world for the motorist.

The airplane will do that.

In each form of surface transportation, as it developed, there became apparent a need for a change in public policy to guide it into the clear, straight path of its rightful destiny. So, too, the airplane. We look forward to a magnificent broadening of the various uses for this fast transportation. We realize that the Nation today has the most air-minded President in its history.

President Roosevelt is keenly aware of the vast, the limitless possibilities of this our heritage of the air. He proves that by the fact that he has taken much of his time to devote personal attention to this problem. To his new policy we look forward with confidence.

I thank you.

[Editorial from the Chicago Journal of Commerce, Wednesday, Feb. 21, 1934]

HOW MANY MORE?

Whatever may come out of the air-mail-contract tangle—and there is no reason for much sympathy for former Postmaster General Brown's part in the lettings—it must be apparent to all Members of Congress, including Chairman BLACK, of the Senate investigating committee, that measures placed before Congress should be read, reread, debated, and studied before they are acted upon. The McNary-Watres Act, upon which air-mail-contract lettings were based, has been shown by the committee to have been as full of holes as a Swiss cheese. The theory of seniority equities which brought the 1930 conference of air-line officials into being is the case in point and the reason for the charge of collusion which Postmaster General Farley made but has not yet proved.

If measures establishing subsidies for air lines were not read carefully by Senators and Congressmen previous to 1930, what are we to say of the mass of legislation that is being choked in and out of both Houses in the present speedy session? What is to be said of the "gag" rule which closed effective lips in the House when the debate on the tax-adjustment measure was in progress? It may be true that the measure was drawn up by experts who know more than any of the Members of Congress what provisions belong in such a measure, but it is a poor Congressman—one not worth his salt—that will permit himself to be gagged on such controversial measures.

What shall we say of the action of the House Coinage Committee on the Gold Reserve Act and the speedy action taken on the floor? Is not the quantity of gold allowed in the dollar of importance to the people of the United States? Did not the measure enacted, take from the value of the citizen's dollar 41 cents in gold? Is this unimportant in Congress's handling of other people's money?

The McNary-Watres Act may have been passed without adequate debate and skull-racking study, but if it was, what may be said of the present crop of new laws? Perhaps we shall only perceive the loopholes in the distant future.

[Editorial from the News-Sentinel, Fort Wayne, Ind., Friday, Feb. 23, 1934]

INTO THE VALLEY OF DEATH

The time has passed when any of us can bother to discuss coldly and academically the relative merits of Army and private transport mail-carrying.

The question should now be waived as to whether, given a proper period of preparation, the Army might satisfactorily handle the mails.

The issue of air-mail graft or impropriety, now under investigation, has become subordinate to the issue of how much longer the slaughter of Army pilots and the destruction of Army planes is to be permitted to go on.

The tragic death of half a dozen Army pilots in the last few days—which "Ace" Eddie Rickenbacker calls "legalized murder"—and the total loss of about twice that number of Army planes, may well be written down in history as another Balaklava.

As in the famous decimation of the glorious Six Hundred in the Charge of the Light Brigade, so with the Army pilots commanded to fly the mails—"theirs not to reason why, theirs but to do or die."

There is an old saying among aviators that a smart pilot knows when to turn back. But the Army men, as smart as any of them, are given no option. In the Army, an order is an order; and just the other day, a brigadier general was quoted as having said that the Army would "fly the mails through hell and high water and in spite of death."

That's Balaklava stuff. That's nonsense. That's needless sacrifice of human life.

These gallant Army pilots who have laid down their lives in pressing ahead through snow and ice, under the strain of orders and intent upon saving the face of the Army Air Service, are simply handicapped by lack of experience and equipment for their tasks in the mail service, just as commercial transport pilots who have been successfully carrying the mails might easily come to disaster if suddenly called upon for Army service.

Assuming that the Postmaster General's charges of enormous fraud and shameless collusion among privately owned carriers is 100 percent true, assuming that the $46,000,000 which he estimates as the unnecessary burden placed upon the taxpayers, still must we not conclude that the loss of life and destruction of planes which have occurred in the few days following transfer of the mails to the Army custody more than offset the potential monetary economy for which Mr. Farley is striving?

Clearly, some steps should be taken at Washington for preventing the collapse of air-mail service which commercial contractors have built up to efficiency over the last decade.

Readers of the News-Sentinel are well aware that this newspaper has no brief for collusion and graft in the Air Mail Service, any more than in any other service. Corruption should be completely swept from the service. But neither that nor any other good purpose can be achieved by slaughtering Army pilots.

[Editorial from the Prescott (Ariz.) Courier, Tuesday, Feb. 20, 1934]

THE PRESIDENT AND THE AIR LINES

In canceling the air-mail contracts of every aviation company in the land because of apparent irregularities on the part of a few, President Roosevelt seems to have acted with undue haste. He did not receive the response of acclaim that usually attends his moves.

Because the various air lines, aided by mail contracts, have been prospering so that the United States today leads the world in commercial aviation, the drastic order of the Chief Executive unjustly might be accused of falling in line with the belief of some of his subordinates, whose utterances and activities leave the impression with the public that every person in the country who makes a profit in business is a crook. Not having been success-

ful in ventures themselves, they simply cannot understand how any honest person honestly can earn a dollar in any line of work. The President's secretary says the order of cancelation came from the Postmaster General, not from the White House, which shifts the responsibility not at all, as no Cabinet officer would make a move his Chief did not authorize.

The statement of Col. Charles A. Lindbergh that the Presidential edict "does not discriminate between innocence and guilt and places no premium on honest business" will go a long way with the American people. And the observation of Will Rogers, "Its like finding a crooked railroad president, then stopping all the trains", will win more earnest thought than all the political clamor of the year could bring.

The United States gave the railroads millions of acres of land in the pioneering stage of rail development; and European nations today are subsidizing steamship lines and airplane systems by direct payments of cash for carrying mail; this as a means of encouraging private shipping and to help aviation along until it can go alone. America easily leads the world in commercial aviation, a superiority directly due to mail contracts, which now are wholly taken away.

Heretofore the President has "backed up" in instances where he has been convinced a wrong has been committed, or in response to the wild complaints of those about him. In present circumstances he could gain wide-spread commendation by revoking his order wherever no proof of graft exists, and wait until the chaff is winnowed from the grain. People generally are for a square deal, and they could not give endorsement to any gesture, from any person which condemns the guiltless without benefit of trial.

[Editorial from the San Francisco Chronicle, Wednesday, Feb. 21, 1934]

WHO IS RIGHT ON AIR MAIL

By Chester H. Rowell

Ever since Lindbergh's protest on the cancelation of the air-mail contracts, there has been a systematic campaign, not to prove Lindbergh wrong—events, indeed, have proved him right—but to undermine his popularity. Much has been made of the alleged discourtesy of giving out the dispatch before the President had read it, and of the quibble that it was not the President but the Postmaster General, by his authority, who ordered the cancelation. The manner of answering the communication itself was intended to create the impression that America's foremost aviator was an unimportant youngster who did not know what he was talking about. And insinuations were made, without stopping to investigate, that he had made huge profits on his air options. It turns out that the guesses on his profits were 20 times too high, and that he has since reinvested even this moderate sum in the stock of the companies he serves, so far with no dividends.

The psychology of the whole campaign—and we are in an era of government by psychology—is the assumption that the people support President Roosevelt, not because he is right, but because he is popular, and that in a difference of opinion between him and another man, also popular, they would have no way to know with which to agree. Therefore, Colonel Lindbergh must be made unpopular, to establish the presumption that he is wrong.

The fact is that, in this matter, it is the popular President who is wrong and the popular aviator who is right. The real question is not who is unpopular—they both are—but who is right. Wrong does not become right because Roosevelt does it, and right would not become wrong by making Lindbergh unpopular. The decision must rest not on the man but on the facts. And Roosevelt, by getting his facts from Postmaster General Farley and Senator BLACK before they found them out themselves, is the one who acted without knowledge, as well as without consideration for the consequences. Now, the finest air service in the world, America's pride and protection, is taking those consequences.

This is the first time in America that men were punished first, sentenced afterward, convicted still later, and tried not at all. It is a reversal of all the processes of justice. Even if the result had been just, this would have been the wrong order. And the facts, as now belatedly coming out, show that it was wholly unjustified. The vague talk of fraud has been withdrawn, there being no evidence of it whatever, and the collusion, which is the only present charge, turns out to have been the public compliance of the air transport companies with the announced request of the Government, carrying out the policy of Congress.

These air-mail contracts were frank subsidies, to build up the service. Their cost, under the Coolidge administration, was considerably more, and under the Hoover administration a little more, than the air postage receipts. The consolidation of lines was in accordance with the policy of Congress on the railroads; of the States, on truck and bus lines; and of the Government, on transportation generally. The subsidy accomplished its purpose. It did build up the finest air transport service in the world.

None of that service has yet made profits or paid dividends, though some individuals did make money (and others lost) gambling on the stock market. But it has reached a point where new contracts, reducing the compensation for carrying the mail to the actual postal receipts, might very properly have been arranged. Instead, the entire service has been disrupted, without saving to the Government, and with great injury to both the mail and the passenger service.

If the present plan is carried out, it will mean two parallel lines over every route, one carrying mail and the other passengers, both losing money and both curtailing service. The Army cannot carry passengers; and if it finally gives way to new private companies, these companies will either confine themselves to mail or else compete with existing companies for a passenger traffic which is not yet profitable to one, and would be ruinous divided between two. The punishment will be to the American people.

Such a question cannot be considered in mere terms of the popularity of one man or another. Neither is it a legitimate weapon for the effort of Farley to get Brown. It would not even be fitting punishment for frauds, if later evidence, there is none yet, should show that any were committed. Penalty for such wrongs should be visited on those who did them. But it should be after trial, not before it. Even if Brown was wrong in his interpretation of the law and of the intent of Congress, that should be ascertained first and the action then undone. But not by punishing those who, by Brown's authority, carried out his direction. And least of all by substituting for a service which was working magnificently and about to work better a bifurcated service which will inevitably work worse.

The only hope, of which there are some signs, is that the whole thing was a bluff and that the service will soon be back in the old hands under revised contracts. But even if that right thing should be done this was the wrong way to begin it.

[Editorial from the Army and Navy Register, Saturday, Feb. 24, 1934]

THE AIR-MAIL TRAGEDY

The precipitate action of President Roosevelt in canceling all air-mail contracts and turning operation of this great system over to the Army on short notice is bringing tragic results. Already several officers have been killed, and the end is not in sight. Every loyal citizen will applaud efforts to eliminate graft in the Government. Wholesale fraud is hardly believable. However, where graft actually exists it should be established by legal procedure and the guilty punished to the limit of the law. At the same time, the existing air-mail contracts should have been enforced until such time as the guilty officials and corporations, clearly indicated, could have been properly dealt with.

The Commander in Chief ordered Army flyers to undertake this work. They responded in true military spirit, although their airplanes, equipment, and training are not suited for such work. The unusual weather put the final handicap on the Army Air Corps and the tragedy in human lives is the result. More deliberate, reasoned procedure and less politics, as clearly indicated in efforts of the Senate to establish air-mail graft, would have reduced loss of life to a minimum. It would have resulted in punishment of the guilty rather than the innocent Army officers and their families.

[Editorial from the Business Week, Feb. 24, 1934]

HOW TO SALVAGE THE AIR MAIL

The air-mail contract cancelation affair leaves a bad taste.

It interrupts an efficient, smooth-running service of which every American was proud. It jeopardizes lives and equipment of the Army. If allowed to stand exactly as promulgated, it would cripple air transport.

It has a political flavor; the inference is bound to be drawn that this was in part motivated, consciously or subconsciously, by a desire to discredit acts of the Hoover administration. Up to now the Roosevelt group has not conspicuously indulged in that form of petty politics.

Worst of all, the act has the unmistakable air of having been decided upon impetuously. That is a disquieting thought. If the administration is impulsive and headlong once, it may be again, in an even more critical matter.

Postmaster General Farley suggested to Colonel Lindbergh that, if the colonel knew all the facts, he would not feel that any injustice had been done or would be done. Then Mr. Farley issued a long letter, presumably the administration's complete statement of its grounds for summary action. As such it falls far short of justifying the course chosen.

To us it appears that the Hoover-Brown policy aimed at building up an efficient Air Mail Service and, simultaneously, a good passenger-transport system. Aiming at this, support was thrown to the strong, well-organized groups. The device of granting extensions seems to have been stretched beyond the intent of Congress—all to the same end.

It appears there was much money made in certain air stocks. But there is no evidence of improper considerations having been demanded or volunteered in return for contracts.

It does appear that the big operators carved up the map among themselves. But they did so at the direct invitation of the Government then in power.

That is not the way Roosevelt would have done the thing. It is abhorrent to his whole philosophy. He feels it is just the kind of favoring big fellows that the people voted against in November 1932. We may grant his sincerity. But it was possible to get a new air-mail deal without sweeping and indiscriminate extinction of all air transport companies.

The deed is done. Now the problem is to turn the situation to the best advantage possible. There probably is something to be gained from a new deal all around; let us have it.

We do not believe the sentence of execution passed on the air transport companies will be allowed to stand as written. We doubt if the 5-year prohibition against their rebidding will be rigidly enforced. The personnel that carried the mails until February 19 probably will carry it again, and soon.

But this time on a better basis. The scheme devised by Representative MEAD for payment on a mileage-poundage rate, together with plans to increase the volume of air mail by reducing postage and offering special services, seems well considered. It will get rid of the smell of disguised subsidy; it will be as welcome to the operators as to the Government and the public.

[Article from the Pittsburgh Post-Gazette, Saturday, Feb. 24, 1934]

BLAME AIR-MAIL CRASHES ON PLANES, INEXPERIENCE—EXPERTS IN TRANSPORT FIELD PRAISE ARMY FLIERS' COURAGE, BUT HIT LACK OF TRAINING FOR JOB AND EQUIPMENT OF SHIPS

By Con McFaddon, Post-Gazette staff writer

Improper equipment of Uncle Sam's Army planes and lack of proper experience on the part of Army fliers are blamed by persons familiar with the situation for the difficulties the Air Corps is encountering in carrying the air mail.

The six fatalities and numerous crashes that have resulted in the injury of several officers and the loss of eight planes also are laid to these factors.

Bitter criticism has been launched at the Government, but for the Army fliers there is the highest praise for the gallant and courageous manner in which they are going about their difficult task.

It has been estimated the casualty cost of Uncle Sam's first 5 days in the air-mail business has amounted to $300,000, based on the cost of the eight planes, Government insurance, and the cost of training the men killed.

The crack-ups occurred during bad weather, with storms and fog along the mail routes. Neither the fliers nor the planes now carrying the mails are equipped to fly in such conditions, according to persons conversant with air transportation affairs.

Army pilots, they point out, have little or no experience in instrument flying, or blind flying. Under Department of Commerce regulations and rules of the air transportation companies, commercial pilots are required to have 20 hours' experience flying in a hooded cockpit, relying entirely on their instruments in taking off, cruising, and landing.

The service flyers are additionally handicapped because they are not familiar with the routes they are forced to fly with the mail.

Before a commercial pilot is put in charge of a plane, he first must travel over the route as copilot, on some lines, as long as 6 months, to familiarize himself with the country over which he is to fly.

In general, it is pointed out, economy measures have resulted in limiting the number of hours Army flyers spend in the air. The service pilots do comparatively little cross-country flying, this rarely at night, and then mostly under favorable conditions.

It is in the matter of equipment that the Army flyers are at the greatest disadvantage, airmen say. Army planes are built for maneuverability. Stability is a minor consideration, whereas designers and engineers have been bending their efforts for years to develop the stability of the commercial craft.

Army planes carry few instruments, and these generally are obsolete. The equipment of most of the ships now hauling the mail consists of a radio, a compass, and a turn-and-bank indicator.

The radios are out of date, limited in range, and nondependable. Fixed firmly to the instrument panel, they are affected by every vibration of the motor and plane and easily get out of order. The compasses and turn-and-bank indicator are of out-moded types and low in efficiency.

Only once since the Army has been handling the mail has the ground crew at county airport been able to contact a mail pilot while in flight.

Commercial planes are years ahead of the Army ships in the instruments they carry. They include an artificial horizon and a radiobeam. All instruments are in duplicate and are insulated by live rubber against vibration. The radio also is seated in live rubber or suspended on rubber cords.

Few, if any, Army planes are equipped with the radiobeam which shows any deviation from the plotted course.

As one flier put it, "Flying the mail in a commercial plane is child's play compared to the job the soldiers have."

There are other factors that add to the worries of the Army mailman. Owing to the sudden manner in which the job was given to the Air Corps, the service has been unable to establish proper communications. The pilot who cracked up near Uniontown Thursday was missing from 2 o'clock in the morning until nearly noon.

Maps have not been properly developed. Some of the planes pressed into use are not fitted for the job. Lieut. Corley McDarment, commandant at Rodgers Field, advised against the use of certain types of pursuit planes but some still are bringing the mail to County Airport.

The Army fliers are on the spot, it is pointed out. They are taking chances they would not risk otherwise to maintain the tradition of the corps.

[Editorial from the Ohio State Journal, Saturday, Feb. 24, 1934]

ENOUGH AIR-MAIL DEATHS

Something will be done—and, of course, soon—to return the air mail to private, commercial, competent hands. The error of the sudden cancelation of private contracts has been proved to the satisfaction of the country, and the Government will not be able to hold out much longer against public opinion.

In the meantime, until definite plans are formulated, the carrying of the air mail ought to be halted completely. There can be no justification for a continuation of the slaughter of life, limb, and property of the Army Air Corps, which has shocked the Nation during the past week.

Coincident with the practical failure of the new deal in air mail, former Postmaster General Walter F. Brown has been on the Senate committee witness stand all week, longer than any witness ever was. His testimony is generally construed to have been a boomerang to the unfriendly purposes of the committee.

More important, the aviation industry of the United States—the greatest in the world—stands as living witness to the success of the Hoover and Coolidge air-mail-subsidy program.

[Editorial from the Harrisburg Telegraph, Mar. 1, 1934]

POLITICS IN AIR-MAIL TALK

C. B. Allen contributes to the New York Herald Tribune a startling story on the effort of the Roosevelt administration to take over the aviation industry. He intimates that the whole thing was a political scheme to grab off still more patronage and power. Air lines thrown into the whirlpool of disorder believe they were voided to open up new fields of patronage. It is further pointed out that one of the big four systems, friendly to the Roosevelt regime, has escaped all retribution. It is said to be the company which flew Roosevelt to the Chicago convention and the same company that later maintained at a heavy loss servicing the Democratic South and Southwest.

It is felt quite generally that the administration must clear its skirts of suspicion that there was something behind this breaking down of the air-mail system and refusal to give the companies having contracts a hearing. Mr. Allen suggests that in aviation circles doubts resolve themselves into the single query of whether Postmaster General James A. Farley was permitted to scrap the entire air-mail set-up for the public good or simply for the purpose of breaking this particular patronage oyster wide open and dishing out the heart of it, not to the groups that have made America's air transportation a model for the rest of the world, but to those who have played along with the present administration.

Congress has put forward the naive suggestion, says this writer, and embodied it in projected legislation which is hailed as an administration measure that the erstwhile air-mail carriers whose contracts were canceled because of fraud and collusion be absolved by special amendment to the law of 1872, "provided they can show to the satisfaction of the courts or the Post Office Department that their hands were clean."

A growing impression at Washington seems to indicate that the air-mail companies which have invested millions of dollars in preparing for the service of air-mail contracts will again be given consideration after some flat provisions of the law which will cut down the appropriations for this service.

Undoubtedly there has been a revulsion of feeling in Congress since the tragic deaths of several Army aviators in endeavoring to carry on the Air Mail Service as developed by commercial organizations. There is also at Washington a feeling among flying men that inaccurate weather data have been responsible for some serious accidents. Errors are blamed on the local airport pride in politics. Pilots are inclined to lay the blame to either or both of two causes—that in some instances local airport pride leads to a species of optimism concerning flying conditions, the net result of which is a broadcasting tending to keep planes headed for a particular field, although they are certain to encounter extremely hazardous weather before they arrive; in other cases the charge that the Government employees whose duty it is to assemble, analyze, and broadcast flying-weather conditions are in some instances political appointees with little or no experience in such matters, and not much more interest, who have replaced reasonably efficient operators.

The Army flyers can have no such help. The air line—being closed down by imperial order—will not maintain a weather bureau to amuse themselves. They will not get much from the United States Weather Bureau. That is an archaic institution. I think they predict weather from the pains in their corns.

One benefit may result from this disaster. Admittedly, the Army officers should know the country better than they do. It would be a fine idea if every mail plane carried an Army officer—riding there for observation and experience.

[Editorial from the Kansas City Kansan, Mar. 2, 1934]

THE IMPULSIVE AIR-MAIL ACT

Word comes that the administration already is turning attention toward returning the air mail to private commercial carriers within a few weeks or months. It was asserted at the outset of the pending course of events that such would be done in time after new contracts could be negotiated. It was not to be the Army's permanent job to carry the mail.

This recent air-mail policy has been the first move by the administration that has aroused wide-spread criticism. The majority has been pretty noticeably with the administration on virtually everything else that has been attempted. But a sudden reversal of policy of the past few years which had been directed toward building up commercial air lines appeared too drastic. It cost the jobs of hundreds of air line employees. And turning the air mail over to the Army fliers, who were not familiar with routes and were not trained in that sort of work, came at a most inauspicious time. Accidents have taken a heavy toll of life among them.

The result is that a bad taste is being left in nearly everybody's mouth. The air lines which lost their contracts are threatened with having to close down—some of them already have done so. The air line employees are losing their jobs. The Army fliers are losing their lives. The public is wondering if it all is necessary.

Through all the criticism that arises, there is no disposition to discourage the uncovering of graft in the high places, if there has been graft. Those guilty should be punished. Moreover, if the air-mail policies of the past are considered too costly or if it is thought that they should be altered in one way or another, the matter surely should be given a full airing.

The criticism centers mainly upon the manner in which the whole matter has been handled. "Worst of all", remarks Business Week magazine, expressing a rather typical view, "the act has the unmistakable air of having been decided upon impetuously." Affairs of this kind demand more than impulsive action. Those guilty of grafting should be brought to justice. If the Hoover-Brown policy aimed at building up an efficient air mail and passenger service through Government aid is not wanted, then let it be changed in an orderly manner. But sudden canceling of all existing contracts has gone further than necessary.

Alert political observer that he is, President Roosevelt surely will heed the criticism that this move has aroused and will return the air mail to commercial carriers at an early date.

[Article from the Washington Herald, Mar. 4, 1934]

SPEAKER RAINEY'S ERROR

Much as we esteem Speaker RAINEY we are afraid that he shows but little respect for the heroism of the gallant young officers of the Army Air Corps who have recently been sent to an unnecessary death and little knowledge of the cause of their sacrifice when he attempts to justify it by such ill-considered assertions as the following:

"If there was legalized murder connected with the Army's mail operation, as stated on the floor of the House, it can be charged to prior failure to see that the Army Air Corps was properly equipped, the planes properly constructed, and the pilots properly trained."

It is clear that the Speaker of the House has not been told the difference between a plane designed and equipped to transport mail and passengers over a Federal airway, and a military plane designed and equipped for military missions.

To order air transport pilots to execute military missions in planes designed and equipped for transporting mail and passengers would be to condemn them to legalized murder.

To order military pilots to fly the mails in planes neither designed nor equipped for that mission, before the pilots were permitted to familiarize themselves with their routes, has been proved to be legalized murder, as has been so declared on the floor of the House and in many newspapers and around the hearthstones of hundreds of thousands of American homes.

If Speaker RAINEY had taken the trouble to secure accurate and unbiased information before he undertook to instruct the public in regard to aviation, he would have found how far from the truth his assertions are.

As Speaker of the House, Mr. RAINEY ought to know that the naval air force of the United States is first in strength and first in efficiency among the naval air forces of the world.

As Speaker of the House, Mr. RAINEY ought to know that the only reason why the military air force of the United States is third in strength, instead of first today, is because of the well-nigh criminal negligence of the House, which has refused in recent years, and is refusing now, to take the lead in appropriating money to build up this force to equality with the strongest in the world.

As Speaker of the House, Mr. RAINEY ought to know that until a fortnight ago the United States had the best commercial air force in the world.

This force has been dealt a crippling blow by the arbitrary cancelation of all domestic air-mail contracts upon the allegation yet to be proved to the satisfaction of any court of the land that were contaminated by fraud.

Instead of reflecting on the deserved fame of America's defenders who fly the colors, the passengers, and the mails, Speaker RAINEY would represent the State of Illinois better in the House of Representatives by raising his voice and casting his vote in support of the recommendations of the Secretary of War for an adequate congressional appropriation to be used in the immediate building up of the Army Air Corps to equality with the strongest.

That might not be the course of political expediency, Mr. RAINEY, but it would be the course of genuine patriotism.

[Editorial from the Kansas City Star, Mar. 8, 1934]

BACK TO CIVILIAN AIR MAIL

The President's letter on the air-mail situation is recognition of the too hasty action taken in canceling all contracts and disrupting the Air Mail Service. That it has been disrupted any user of air mail can testify. The Army had not the equipment or the specialized training necessary to carry the air mail efficiently. Since the Army flyers took over the service, air-mail patrons have found the ordinary railroad mail far more dependable for prompt delivery of letters.

The proposals in Mr. Roosevelt's letter for the prompt return of the service to civilian companies are generally sound. They lay down a policy that in most respects is for the public interest. There may be a question whether the limitation of contracts to 3 years is wise; whether it would allow companies sufficient time to establish themselves.

The important defect in the plan is the insistence that no contract should be made with any company "any of whose officers were party to the obtaining of former contracts under circumstances that were clearly contrary to good faith and public policy."

This proposal would mean a wholesale penalizing of competent companies, of their stockholders, and of the public which they are prepared to serve efficiently, without trial, and on the mere investigation of the Senate committee. Guilt is personal. If any official is proved guilty of corruption, he should be proceeded against and punished.

But it is unfair and contrary to the public interest to bar well-equipped companies from carrying the mails merely on the suspicion that some of their officials have been guilty of bad faith and offending against public policy.

Obviously, the public interest requires the prompt restoration of the civilian air service with honest payments for honest service. It also requires that competent companies be not barred from bidding on the assumption, without trial, that some of their officers have been offenders.

[Editorial from the Ohio State Journal, Mar. 9, 1934]

REBUILDING THE AIR MAIL

In its sudden decision to pave the way for a return of the air-mail contracts to private commercial companies, the administration doubtlessly is attempting to rectify, as soon as possible, the error it made when the contracts were summarily canceled, and an unexpected burden was thrown upon the unprepared Army Air Service.

As it turned out, the Government's action disrupted the Air Mail Service even more than was at first believed it would. The death of several Army flyers who took over the job not only revealed a weakness in Army equipment and training but caused, as a precautionary measure, a further curtailment of service than was planned. As a result there are few people today who know which mails are going by air and which are going by train. Complaints of irregular deliveries have been frequent and delays are numerous.

Unless the service gets back on some kind of dependable and adequate schedule soon, commercial aviation will have been given a blow from which it will take a long time to recover, and which can hardly be excused by the undeserved rebuke given Colonel Lindbergh and, by implication, all others who took exception, for his criticism of the transfer.

If the time comes again when it is necessary for the Army to take over the job of flying the mails it is to be hoped that it will be adequately equipped with ships and instruments, and will include in its personnel flyers who have had enough training to venture into the kinds of weather which commercial pilots take as a matter of course.

The intention now to build up the Government's air service doubtlessly includes plans to do away with the weakness revealed by the Army's experiment with delivering the mails. Among the new ships to be built for military use the country will hope there is a plentiful sprinkling of the kind that will be good for cross-country and bad-weather flying and which are equipped with the modern devices necessary to make them ready for any service.

[Editorial from the Washington Post, Mar. 16, 1934]

THE UNCORRECTED BLUNDER

The administration would conserve both dignity and self-respect if it would realize that a mistaken policy cannot be smoothed over either by condemnation or blandishment of those who disagree on matters of principle. With extraordinary ineptness both methods have been tried in the case of Colonel Lindbergh. The natural result has been a stinging retort, requiring reiteration before Secretary Dern could be made to understand that the country's most disinguished aviator means what he says.

Of course, it is never pleasant to admit a major error of policy. But when such errors are made, an acid test of moral and intellectual stature is willingness to assume responsibility and to retract, both in words and deeds. To refuse to do so is to exhibit that stubbornness which is the enemy, not the aid, of leadership. And in the case of an administration which has freely admitted the experimental character of its policy, refusal to turn back from a false trail is the more surprising.

It needs only the disastrous and chaotic results to date to show that the present air-mail policy is leading nowhere. Indeed, each new attempt at justification seems more distasteful than the last. Yesterday Major General Foulois asserted that the costs to date are outweighed by the effectiveness of the training afforded Army flyers. The intimation that this important commercial service should be regarded in the same light as an R.O.T.C. is scarcely encouraging. By the same token the railroads might be turned over to the Army Engineer Corps. Perhaps schedules would be somewhat disorganized, but we would have what General Foulois is quoted as calling "an ideal peace-time test" of military training.

"I believe", says Colonel Lindbergh, "that the use of the Army Air Corps to carry the air mail was unwarranted and contrary to American principle."

That may not be the last word on the subject. But why not is still to be demonstrated.

REGULATION OF THE COTTON INDUSTRY

The Senate resumed the consideration of the bill (H.R. 8402) to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes.

Mr. BAILEY. Mr. President, in the course of the discussion of the proposed legislation a great deal has been said about cotton. I do not think the real question here is the question of cotton or the prices of cotton. The bill presents to the Congress and to the people of this country more clearly than any of those which have preceded it the question of human liberty. I propose to discuss the bill rather briefly in the light of that sole proposition.

What does the bill propose? It proposes that the Federal Government shall determine for the individual farmer how many bales of cotton he may gin out of his annual crop. And by way of determining it, every right he ever had to plant, cultivate, and to reap is referred to the Department of Agriculture of the United States and the Bureau of Internal Revenue, and he is told by the authority of law that if he undertakes to gin one bale more than the Secretary of Agriculture says he may produce and sell, he shall suffer a penalty of 50 percent of the market value of it.

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

Mr. BAILEY. I yield.

Mr. HASTINGS. I think the Senator from Alabama announced that he had an amendment in which he proposed to make the penalty 75 percent.

Mr. BAILEY. That is thoroughly in accord with the spirit of the bill, and if it is to pass in any form I would just as leave it pass with a 75-percent tax or penalty as a 50-percent tax or penalty.

Mr. CLARK. Or 100.

Mr. BAILEY. Or 100. But I was raising the question now of what the bill proposed, and the farmer who unfortunately, or who by the fortune of a good Providence, produces one bale more than the Secretary of Agriculture says he may produce, either pays the penalty of 50 percent of its value, and therefore takes the loss in the cost of production, or stores it in the seed in order that it may rot through the winter. That is the situation.

Hear me, Mr. President and Senators. If the Federal Government can do that it can do anything, and we do not have a Republic, we have a tyranny. If the Federal Government can do that, there is not a vestige of State rights left in America.

The proposed legislation is the first since I have been here which proposed to take from the people themselves the rights declared by the Declaration of Independence to be inalienable. Although we may be dubious about what the Supreme Court may say in one case or another, thank God, I have not a question of what the Supreme Court will say about the calm proposal of the Federal Government to deny the inherent right of human liberty and lower the dignity of the human soul that goes with that denial.

I could discuss the economic aspects, and I should like to do it, and I may do it before I take my seat; but I do think, Mr. President, and from the depths of my soul I state that I believe we have come to the crucial hour of decision in the Congress and in the country.

It is going to be a free republic or it is going to be a regimented socialistic communism, and if this legislation goes through the latter will be indicated, and at least it will have the imprimatur of the Congress, but not mine.

I know what will happen to it when it gets to the Supreme Court. It will be thrown out. But, mind you, this bill is quite artfully contrived. It is not intended that the victims of the bill, the farmers whose liberties are destroyed, shall have the opportunity to get into the courts until the work of the bill has been done. I protest against that as nothing less than usurpation.

Those are strong words, but the time for strong words in America has come, Mr. President.

The bill provides that no one can bring an action for a refund of the taxes paid under the bill until 6 months after he has made demand therefor. The farmer goes forth now to sow, but he does not reap his cotton until August, and he does not reap it in a big way until September, and he can gin his quota in September and part of October, but when he comes to the first sale in excess of his quota it will be October. He pays his tax under protest. He files his claim of refund, and he is required by this unconstitutional law to wait until April 1935 before he can appeal to the judicial department of the Government to vindicate his rights as a free man. That is in the bill. There is no necessity for it. I impugn no motives. I let it speak for itself. But I do say that good faith with men whose liberties are being taken away from them ought to require that they have a recourse this side of 13 months from today to test the constitutionality of the bill that deprives them of rights which they and their fathers have enjoyed from Magna Carta until this good hour.

I was amazed this morning when I heard the distinguished senior Senator from Illinois [Mr. LEWIS] invoke the tyranny of Henry VIII and the arbitrary self-will of Queen Elizabeth as an example for the American Republic in the present hour.

Suppose the farmer gets to his district court of the United States in April 1935. He will be fortunate if the case can be tried within 6 months, and that will put him to September 1935. And suppose he loses, and he goes on his procedure of appeal; I think it perfectly safe to say he will be fortunate if he can reach the Supreme Court of the United States within 12 months, and that puts him until October 1936.

Meanwhile the tax has been collected twice. Meanwhile he has been deprived of his liberties twice. Meanwhile Mr. Wallace, our Commisar of Agriculture, will have carried out the sublime conception contained in his recent pamphlet America Must Choose. Meanwhile he will have carried that out and moved from the Southern States a million human beings. I shall be there when he undertakes to move them. But it is in the pamphlet America Must Choose, and if she chooses the nationalistic conception or policy she is promptly told that it may be necessary for the Federal Government to move a million human beings from the land of their fathers.

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

Mr. BAILEY. I yield.

Mr. FESS. I have been wondering where those people would be taken.

Mr. BAILEY. I will say in courtesy to the Senator that if they must move we might go, like some of our Quaker ancestors did, to Ohio and Indiana; but we would much prefer to stay in our own sunny clime. [Laughter.]

Mr. FESS. When it comes to moving, will anyone in the territory to which they are to be moved be consulted?

Mr. BAILEY. I do not quite grasp the question. I think we would be welcomed with open arms in Indiana and Ohio.

Mr. FESS. I am sure Ohio would open her arms to welcome anyone who came from North Carolina; but would Ohio be consulted before that is done?

Mr. BAILEY. I have not heard that she would, nor have I heard to what country he would have them moved.

But I bear testimony here in the Senate—and I think testimony ought to be borne here—that the Secretary of Agriculture has issued a command to us, "America must choose." I deny that America has to choose. America never has chosen. America has lived and grown and flourished and there never has been a man in America big enough to tell us that America must choose or that America must move, or whether or not America will choose.

Mr. FESS. The Senator will recall that when Bonar Law was the Premier he thought one solution of the unemployment problem of Great Britain was to move the unemployed to the colonies. With it went three proposals he had in mind. He found after he undertook to carry it out practically that they would have to have sent with them sufficient

funds and equipment and also get the permission of the colonies to which they were to be moved, all of which failed and the matter was dropped.

Mr. BAILEY. Of course. But if human liberty fails in America, no man may say when he will be ordered to move, or whither.

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

Mr. BAILEY. Certainly.

Mr. VANDENBERG. Under the terms of the pending bill the Secretary of Agriculture might not move the poor farmers to Ohio. He might simply move them into jail as a result of their violation of his ipsi dixit.

Mr. BAILEY. I am glad the Senator read that into the course of my remarks. I might come to that, but I wish to dwell around this point a moment. The Secretary of Agriculture does say, in an essay prepared with all deliberation, printed in the Atlantic Monthly, afterward printed in pamphlet form, printed in the New York Times, very widely circulated, that it may be necessary to move a million men or a million human beings from the South—the land of their fathers. Think of the arrogance of that! Think of the ignorance of that! Think of the contumely of a Cabinet officer assuming that the Federal Government could ever move anybody from anywhere! What a commentary, Mr. President, on modern America's conception of the noblest gift of God to man, to wit, human liberty!

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. BAILEY. I am glad to yield.

Mr. CLARK. I do not wish to interrupt the Senator, but merely to call his attention to the fact that when the Secretary of Agriculture was before the Committee on Finance, in response to a question which I think was asked by the Senator from Michigan [Mr. VANDENBERG] about that very point, the Secretary disavowed any intention of arrogance or any dictatorial quality in his article, and said very simply, and apparently from the heart, that it was simply an excellent and logical discussion of the situation; in other words, that it is his opinion in his own words.

Mr. BAILEY. If the Federal Government can tell the farmer how much cotton he shall produce, either by way of putting a tax penalty on him or otherwise, it can move him. I will stand on that proposition. It can then tell me what sort of hat I shall wear or whether I shall wear any at all. It can then tell me, as the British Government told its subjects in the reign of Queen Elizabeth, in what sort of clothes I shall be buried.

It was in that same period that the tillage laws of England were enacted, by which it was undertaken to do precisely what we are now asked to do—limit the tillage of land. But I had thought, with three centuries of human struggle and noble aspirations and with the sacred blood of that revolution which we fought, that at least my land and the people who are my people had parted with that once and forever, and that really the grand distinction between this country and all the others is the distinction that we would not stand for that but that we are the children and the heirs of liberty.

Mr. President, it will be noted that I am not talking about cotton. I am talking about human rights and human liberty. I shall say a word about the Constitution.

I hear it said here so often that it is needless to make discussion as to the constitutionality of a question here. I hear the word "futile" used with respect to it. Probably no more cynical commentary could be made upon our life than that. Probably nothing could so feed the fires of pessimism as that. What is the Constitution for? Should I answer that question in the Senate of the United States?

On the day I walked down the aisle of this Chamber, not a Senator but merely a Senator-elect, why was I required to stand yonder and take one oath before I could be a Senator of the United States? The answer is in the oath that I took. On the threshold of this office and this duty here, this responsibility and this law-making power here, I swore to maintain and defend the Constitution of the United States against all enemies, domestic and foreign. I repeat, I am not afraid of the foreign enemies of the Constitution of the United States, but I do deeply fear the domestic enemies.

Why did I take that oath? Because I was being vested with power and with a trust, and I was taking the bonds of the Constitution about me in order that I might be restrained from usurping power, the opportunity to do which would be given me by my station here. We take no oath to serve the people; we take no oath to obey the President; we take no oath of fealty even to the Government of the United States; but we take the oath by way of solemnly signing the contract, the covenant which is the very heart and life of the Republic; and then tell me that it is a futile thing.

Why, those who ask me to vote for this legislation are asking me to take from the American people powers which I solemnly swore I never would take from them when I swore to support the Constitution.

Not only does this proposal strike at my oath, but it strikes deeper than that. If there were no oath to bind me, if I were just a citizen out on the street, and if I had a million acres in cotton, by the higher law of a great inheritance, by the unspeakable obligation which I owe to those who shall come after me by reason of what I have received from those who went before me, whose faces and forms I no longer may see but whose names and whose goodness I shall never forget, I would stand here, or I would stand there on the street, and I would protest with my latest breath against the acts of a congress or a government that would undertake to limit the liberties of my fellow beings in the slightest degree, for any cause whatsoever.

Mr. President, probably the most contemptible figure in the Scriptures, outside of Judas Iscariot, is the figure of Esau. He sold his birthright for a mess of pottage. He came in from the hunt to his father's tent. He smelled the odor of the cooking meat. Unwilling to go to the pains required to feed himself, he sold all he ever received or hoped to receive from Isaac for the mess of pottage.

This depression has taken much from us, Mr. President. It may take much more of material things from us. I should hate that; but when it begins to take from us and when we become parties to taking from our fellow beings in America the rights which the Government was ordained to maintain, then I revolt. It is too much.

There are concessions I will make to this depression. There are points in which I will yield; but I will not yield human liberty for any price, to anybody, in any cause. When I do may my right hand lose its cunning, and the place that knows me now know me no more forever!

So, Mr. President, I am reminding my fellow Senators that this bill is not a cotton bill. It is a liberty bill—or, in the reverse, in actuality, it is a slavery bill. It is not an economic bill; it is an organic bill. If this bill shall pass the Congress, and the Supreme Court shall uphold it, I shall know that the end of all things has come in America, and I shall prepare for the socialistic regime and the dictator; for if this bill shall go through, we may take from the people any right that they have.

Something has been said here about the farmers being for this bill. I have on my desk some resolutions passed by the agricultural editors of America. They ask that this bill shall not pass until it shall have been submitted to the farmers for a vote. I have some other resolutions of a similar sort. I have a letter from Mr. Clarence Poe, the editor of the Progressive Farmer, a paper with perhaps a million circulation, printed in part in my city and circulated in my State. Even they are asking that there shall be a vote.

Well, Mr. President, it may not be so important to have a vote. I would rather that were done. If we are going to take the liberties of human beings from them in America, I think we might have the decency to ask them for their consent, since we sit here by their leave; but I go a little further.

If every man in America should ask me to vote to destroy the liberties of the American people, I would not do it. It is not a matter of popular vote, and I do not believe there is

power in America to destroy the essential liberties of human beings. There cannot be while the Constitution lasts.

Mr. President, I shall finish in a moment. I know the hour is late. I will ask Senators to hear me while I conclude.

I believe America needs an education in the value of human liberty right now more than she needs all the money and all the prosperity that God, in His goodness, might pour out upon us.

Mr. President, I think we have used the word "liberty" without thinking about its meaning. It has become rather ritualistic. I think the Fourth of July long ago lost its significance. I think we see the flag and forget that it is the flag of liberty. We sing the hymn—

My country 'tis of thee,
Sweet land of liberty—

with never a thought of its meaning.

I walk around this Capitol scene, and I see the symbols of liberty, but very infrequently do I hear anyone dwell on the meaning of liberty to human beings and on the value of freedom to men and women.

I would to God that by some means I could find the power to say here, and say somewhere else where America might hear it, what freedom means, what liberty means, to men like ourselves and like our fellowmen.

O Mr. President, it is more than cotton, it is more than balanced budgets, it is more than victories on battlefields. The highest spiritual value in the national life is liberty. The soul of the Republic is liberty. The source of the inspiration which makes the citizen is liberty.

As I have said, I stand here and see the symbols. I have stood before the monument to Daniel Webster on one of the public squares here and read the language inscribed there:

Liberty and union, now and forever, one and inseparable!

And I have wondered just what was in his mind, just whence came the inspiration.

"Liberty and union, one and inseparable." The historian might say that the great Senator and statesman was arguing that we had to preserve the Union in order to preserve liberty. Oh, no! "One and inseparable." We have to preserve liberty in order to preserve the Union. He meant both.

Every now and then I go to the railroad station to take the train for my home in North Carolina, and I see before the station the figure of Columbus on the prow of his ship, coming across the Atlantic in the spirit of liberty, and opening up all this New World to the human race, and I observe that he looks to the dome of the Capitol of the United States, on which stands another symbol of liberty.

Then I look upon the face of the Union Station and I read the legend:

Sweetener of hall and of hut.
Bringer of life out of naught.
Freedom: O fairest of all the daughters of time and of thought.

I pray God, Mr. President, that we may not even give here the appearance of undertaking to take from the farmers of my land their freedom, even though we should say they wish it to be done. I devoutly pray that come what may, though all of material value may be taken, the blessings of liberty may be preserved to us and our children even as brave fathers preserved it for us.

TITLE OF UNITED STATES TO LANDS IN TERRITORIES AND INSULAR POSSESSIONS—POSTPONEMENT OF A BILL

Mr. ROBINSON of Arkansas. Mr. President, on March 20 the Senate passed the bill (S. 1699) to prevent the loss of the title of the United States to lands in the Territories or Territorial possessions through adverse possession or prescription. An identical House bill having been passed, the Senate adopted a resolution asking the House to return to the Senate the bill mentioned. I understand that the Senate bill has been returned by the House, and I move that the votes by which the Senate bill was ordered to be engrossed for a third reading, read the third time, and passed, may be reconsidered and that the bill be indefinitely postponed.

The PRESIDING OFFICER (Mr. McGILL in the chair). Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of the Senate proceedings.)

HOUSE BILL REFERRED

The bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates was read twice by its title and referred to the Committee on Finance.

AUTHORITY TO SIGN AN ENROLLED BILL

Mr. ROBINSON of Arkansas. Mr. President, I ask that the proposed order which I send to the desk may be read and entered.

The PRESIDING OFFICER (Mr. HATCH in the chair). The proposed order will be read.

The order was read, agreed to, and entered, as follows:

Ordered, That the President of the Senate be, and he is hereby, authorized to sign, after the adjournment or recess of the Senate today, the enrolled bill H.R. 6663, the independent offices appropriation bill.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 25 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, March 27, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 26 (legislative day of Mar. 20), 1934

ASSISTANT COMMISSIONER OF PATENTS

Leslie Frazer, of Utah, to be Assistant Commissioner of Patents, vice Fred M. Hopkins.

APPOINTMENT IN THE NAVY

MARINE CORPS

James L. Beam, a citizen of Illinois, to be a second lieutenant in the Marine Corps, revocable for 2 years from the 1st day of June 1933, to correct a mistake in the name and in the date from which he takes rank, as previously nominated and confirmed.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 26, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O God of wisdom and our Heavenly Father, too, reveal Thyself to our thoughts by breathing upon us the spirit of good will and cooperation and by relieving us of any fear or discouragement. All things shall be made plain when we are in Thy presence. Come forth, blessed Master, as a messenger of a good day, and may we open our minds to appropriate Thy teaching. May we all rejoice that we are heirs of a common salvation, children of a common Father, and as servants of the public; may we be bound together by a common aspiration. We beseech Thee that Thou wouldst keep us this day without sin and steadfast in all good works to the honor and glory of Thy holy name. Amen.

The Journal of the proceedings of Saturday, March 24, 1934, was read and approved.

CATTLE AS BASIC AGRICULTURAL COMMODITY

Mr. JONES. Mr. Speaker, I call up the conference report on the bill (H.R. 7478) to amend the Agricultural Adjustment Act, so as to include cattle as a basic agricultural

commodity, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Texas calls up the conference report upon the bill H.R. 7478, and asks unanimous consent that the statement be read in lieu of the report. 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. 7478, Rept. No. 1051) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, 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 amendment numbered 7.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, and 6, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 6. There is authorized to be appropriated the sum of $50,000,000 to enable the Secretary of Agriculture to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for distribution for relief purposes, and to enable the Secretary of Agriculture, under rules and regulations to be promulgated by him and upon such terms as he may prescribe, to eliminate diseased dairy and beef cattle, including cattle suffering from tuberculosis or Bangs' disease, and to make payments to owners with respect thereto."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert: "To amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes"; and the Senate agree to the same.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

E. D. SMITH,
ELMER THOMAS,
GEO. MCGILL,
G. W. NORRIS,
CHAS. L. MCNARY,
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. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment no. 1: This amendment strikes out the provision of the House bill authorizing the making of advance rental and benefit payments in the case of the dairy- and beef-cattle industries, and inserts a broader provision which makes the sums, when appropriated, available for any of the purposes of section 12 (a) and (b) of the Agricultural Adjustment Act and to support and balance the markets for such industries. The House recedes.

On amendment no. 2: This amendment includes peanuts as basic agricultural commodities under the Agricultural Adjustment Act and defines processing thereof for the purposes of that act, and the House recedes.

On amendment no. 3: This amendment includes rye, flax, and barley as basic agricultural commodities under the Agricultural Adjustment Act; and the House recedes.

On amendment no. 4: This amendment includes grain sorghums as basic agricultural commodities under the Agricultural Adjustment Act; and the House recedes.

On amendment no. 5: The effect of this amendment is to authorize the appropriation of $150,000,000 for the elimination of diseased dairy and beef cattle, the purchase and transfer of dairy cows to farms which do not have dairy stock for the purpose of supplying milk and milk products for noncommercial family use, and for the purchase of dairy and beef products for distribution for relief purposes. Not to exceed $50,000,000 of the sum authorized may be used for the last-stated purpose. The amendment further specifies that no processing tax should be levied to reimburse the expenditures authorized.

The House recedes with an amendment which reduces the authorization from $150,000,000 to $50,000,000. These amounts, if and when appropriated by Congress, are to be used for the elimination of diseased dairy and beef cattle and for the purchase of dairy and beef products for distribution for relief purposes.

The provision of the Senate amendment making new funds available for the purchase and transfer of dairy cows to farms which do not have dairy stock and for the purpose of supplying milk and milk products for noncommercial family use are eliminated.

The provision of the Senate amendment that no processing tax shall be levied to reimburse expenditures under this section is eliminated, for the proceeds of processing taxes under existing law are not available except for the purposes of section 12 (b) of the Agricultural Adjustment Act and therefore would not be available for the purpose of reimbursing appropriations made under authority of this act.

On amendment no. 6: This amendment amends the provision of the Agricultural Adjustment Act which authorizes the Secretary of Agriculture to enter into marketing agreements. It broadens the class of parties with whom agreements can be made to include producers, and clarifies the provision so that express authorization is given to enter into agreements with parties handling agricultural commodities and products in competition with or affecting interstate or foreign commerce.

On amendment no. 7: This amendment amends the provision of the Agricultural Adjustment Act which determines the fair exchange value of basic agricultural commodities by inserting a provision including interest on mortgages, taxes, and freight rates as elements in the determination of current average farm price and fair exchange value. The Senate recedes.

On amendment to the title: The House recedes with a clerical amendment to the title.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

Mr. JONES. Mr. Speaker, I think the statement fully explains the essence of the conference report, and unless someone wants to ask some questions I move the previous question on the conference report.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. SNELL. As I look over amendment numbered 5—I understand that is the one I had some conversation with the gentleman about the other day—it seems to me that that is in fairly good shape. I wish the gentleman would tell us briefly about it.

Mr. JONES. That provides for an additional authorization of $50,000,000 to follow out substantially two of the purposes named in the La Follette amendment, one the distribution of beef and dairy products through the Surplus Relief Corporation, and then the use of the funds in carrying out the program for the elimination of tubercular livestock and stock afflicted with other diseases.

Mr. SNELL. And the gentleman is of opinion that that is about all that could be consistently used during the next year?

Mr. JONES. Yes. Of course there is no limit as to how much could be used for relief purposes, but this will provide for a reasonable program. I want to be perfectly fair. This is merely an authorization. We are going to endeavor to get the money; but whatever money is available, the money in either fund may be used for these purposes, and I am thoroughly in accord with the purposes suggested by the gentleman.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. HOPE. For the purpose of the RECORD, because certain Members have asked me concerning it, is it not true that the $50,000,000 will be an outside appropriation, not to be reimbursed from the processing tax?

Mr. JONES. That is clear enough. Certainly the $50,000,000 is not subject to the processing tax. This would make it available for that purpose, even though the other fund may be reduced. As a matter of fact, it is not mandatory as to the repayment of any of these funds. No doubt there will be a replenishment of at least a portion, but the funds provided in the original bill may be used for any of the purposes outlined in the amendment.

Mr. BOILEAU. Do I understand the $50,000,000 is an additional amount over and above the $200,000,000?

Mr. JONES. Yes; in the authorization.

Mr. BOILEAU. So that the total amount of the bill is $250,000,000?

Mr. JONES. Yes.

Mr. BOILEAU. That is what I understood.

Mr. JONES. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

POST-OFFICE SITE, SAN ANTONIO, TEX.—REREFERENCE OF A BILL

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to transfer consideration of the bill (H.R. 8514) authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property, from the Committee on the Post Office and Post Roads to the Committee on Public Buildings and Grounds. The chairman of each of these respective committees has agreed to this re-reference and requested that I ask unanimous consent that it be done.

The SPEAKER. The gentleman from Texas asks unanimous consent to rerefer the bill H.R. 8514 from the Committee on the Post Office and Post Roads to the Committee on Public Buildings and Grounds. Is there objection?

There was no objection.

USE OF EQUIPMENT, ETC., FOR AIR MAIL

Mr. ROMJUE. Mr. Speaker, I call up the conference report upon the bill (H.R. 7966) to authorize the Postmaster General to accept and to use landing fields, men, and material of the War Department for carrying the mails by air, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Missouri calls up the conference report on the bill H.R. 7966, and asks unanimous consent that the statement be read in lieu of the report. 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. 7966) to authorize the Postmaster General to accept and to use landing fields, men, and material of the War Department, for carrying the mails by air, 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 House recede from its disagreement to the amendments of the Senate numbered 1 and 3.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "pension at the rate prescribed in part 1, Veterans' Regulation No. 1 (a), and amendments thereto: *Provided*, That in the event of injury of any such officer or enlisted man the degree of disability resulting therefrom shall be determined pursuant to the rating schedule authorized by Veterans' Regulation No. 3 (a): *Provided further*, That choice shall be made of the benefits provided in sections 4 and 5 of this act"; and the Senate agree to the same.

M. A. ROMJUE,
W. F. BRUNNER,
HARRY L. HAINES,
FRANK H. FOSS,
CLYDE KELLY,
Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
THOS. D. SCHALL,
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. 7966) to authorize the Postmaster General to accept and use equipment, landing fields, men, and material of the War Department, for carrying the mails by air, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon:

On amendment no. 1: Provides that airplanes placed at the disposal of the Postmaster General by the Secretary of War for the transportation of the mail by air shall be fully equipped for safe night and day flying, and that pilots assigned to such airplanes shall be fully and adequately trained in the use of such special equipment.

On amendment no. 2: The amendment added by the Senate to section 4 of the bill did not change the intent of the proposal made by the House but merely clarified the meaning, that the pensions prescribed therein were to be determined pursuant to the rating schedule authorized by veterans' regulation no. 3 (a). The proviso added to section 4 by the conferees eliminates the possibility of interpreting the act to provide for the payment of pension benefits as provided by section 4 and the benefits provided by section 5 to the same person.

On amendment no. 3: This amendment directs the Postmaster General to make a report to the Congress of every payment made by him under this act, including the cost of transporting the mail by the War Department, on the first day of the next session of the Congress.

M. A. ROMJUE,
W. F. BRUNNER,
HARRY L. HAINES,
CLYDE KELLY,
FRANK H. FOSS,
Managers on the part of the House.

Mr. ROMJUE. Mr. Speaker, I move the previous question on the conference report.

Mr. SNELL. Mr. Speaker, before the gentleman does that, will he yield?

Mr. ROMJUE. Yes.

Mr. SNELL. Will the gentleman explain the change in the language that is contained in the conference report, in lieu of the matter inserted?

Mr. ROMJUE. Does the gentleman refer to amendment no. 2?

Mr. SNELL. Yes.

Mr. ROMJUE. After the bill had passed the House it went to the Senate, and there seemed to be a conflict in the two sections, 4 and 5, as passed in the Senate. The conferees got together and an amendment was offered by the gentleman from Pennsylvania [Mr. KELLY]. The gentleman from Massachusetts [Mr. FOSS] is familiar with the matter as is every member of the conference. We unanimously agreed that that was the best way to proceed in the matter; afterward the report went back to the Senate, and the conference report was adopted. The Senate has approved the conference report. Sections 4 and 5 were not quite clear as to the possibility of whether or not a man might not claim under both sections at the same time. Of course, the Senate conferees indicated that that was not the intention, but still it was not clear.

Mr. SNELL. Then this really is an amendment to straighten out the meaning of sections 4 and 5?

Mr. ROMJUE. Yes.

Mr. SNELL. And it is clear now so that everybody can understand it?

Mr. ROMJUE. That is what we think.

Mr. SNELL. Very well.

Mr. ROMJUE. 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.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

ELECTRIFICATION OF STEAM RAILROADS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2950) to authorize steam railroads to electrify their lines within the District of Columbia, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. SNELL. Mr. Speaker, I reserve the right to object.

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. Is it necessary to ask unanimous consent to call up a District of Columbia bill today?

The SPEAKER. The Chair is advised it is not.

Mr. SNELL. Have any of the members of the Committee on the District of Columbia had notice that this bill was going to be called up today?

Mr. PALMISANO. Today is District day?

Mr. SNELL. But it was understood we would go on with the discussion of the tariff bill.

Mr. PALMISANO. I understand that unanimous consent is not necessary.

The SPEAKER. It is not necessary.

Mr. SNELL. I think we ought to have notice of this kind of legislation when it is coming up.

Mr. BYRNS. But this is District day.

Mr. SNELL. I understand that, but it was understood that we were to go along with the debate on the tariff bill.

Mr. BYRNS. I do not know of any such understanding made on the floor of the House. This is District day, and I take it that any legislation which has been recommended is in order.

Mr. SNELL. The chairman of the committee asked to meet at 11 o'clock today so that we could go along with the debate on the tariff bill. That is the understanding I had. I do not know that there is any objection to this bill, but I think the Members should be notified when you are going to bring up matters of this character.

Mr. PALMISANO. I may say, if the gentleman will allow me to explain the bill, that I do not believe there will be any objection to the bill. This is a Senate bill. The District Committee reported favorably a similar bill in the House. It is to give a permit to the Pennsylvania Railroad in order that they may be able to electrify their line from New York to the District of Columbia. As I understand now, they are unable to obtain a permit in the District of Columbia under the law. This simply gives them that right. It means that a great number of men will be employed.

Mr. SNELL. Mr. Speaker, it is the principle that I am objecting to. I am not going to object to this bill, because I think I am for it, probably; but I think we should be notified what the program is going to be each day. If we are going to take up District of Columbia bills when it was the general understanding of the House that we would go along with the debate on the tariff bill, I think we are entitled to know.

Mr. BYRNS. The rules of the House provide for 2 days each month for the consideration of District of Columbia legislation. Whenever District bills are reported, and on the calendar, with a favorable report from the committee, it seems to me the members of that committee ought to know that when District day arrives those bills may be called up.

Mr. SNELL. But we have never obeyed that rule, and the understanding was that we were to meet at 11 o'clock so that we could go on with the debate on the tariff bill. I am not going to object to this bill, but I am making a general objection to calling up matters like this in advance.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That steam-railroad companies now operating within the District of Columbia are hereby authorized, after approval of their detailed plans and issuance of a permit by the Commissioners of the District of Columbia, to electrify their lines within the District of Columbia and across the Anacostia and Potomac Rivers with an alternating current overhead catenary or other type of electrification system, with all necessary transmission, signal, and communication conductors and equipment, poles, conduits, underground and overhead construction, substations, and any other structures necessary in such electrification, the provisions of any law or laws to the contrary notwithstanding.

SEC. 2. Submarine cables may be used at drawbridge openings, provided previous approval shall have been obtained from the War Department.

SEC. 3. Where necessary for such electrification, the Commissioners of the District of Columbia may issue permits to construct conduit systems through or under the surfaces of public streets or other District of Columbia or United States property: *Provided, however*, That three ducts therein shall be reserved for the use of the United States and the District of Columbia.

SEC. 4. Nothing herein contained shall be construed as limiting or abridging the authority of the War Department, the Commissioners of the District of Columbia, or of the Interstate Commerce Commission.

SEC. 5. The said railroad companies shall be liable for any accident to, or injuries sustained by, any person by reason of any act or omission of the railroad companies or by their agents or servants during the construction, installation, maintenance, or operation of the electrical equipment and apparatus of the railroad trains.

Mr. MAPES. Mr. Speaker, reserving the right to object, I should like to ask the gentleman if this bill was submitted to the Interstate Commerce Commission before action was taken on it by the Committee on the District of Columbia?

Mr. PALMISANO. I do not believe there has been a report from the Interstate Commerce Commission, but, as I understand, it is a local matter. The Pennsylvania Railroad has set up the poles and wires to the line of the District of Columbia. They are now unable to proceed unless they obtain a permit from the District of Columbia.

Mr. MAPES. Did the Committee on the District of Columbia hold hearings on the bill?

Mr. PALMISANO. Well, the committee passed on it. The committee reported favorably on the bill. I cannot say whether hearings were held or not.

Mr. MAPES. Did the District Committee hold hearings?

Mr. PALMISANO. The bill passed the Senate, and I understand hearings were held there. There was no hearing

in the House committee, except that we took the matter up in the regular way, and there seemed to be no objection.

Mr. MAPES. I have not read the bill, but I notice in the reading of it by the Clerk there is a provision requiring the Interstate Commerce Commission to take some action in connection with this electrification. It seems to me it is a matter of such importance that it ought to be referred to the Interstate Commerce Commission before the House acts upon it.

Mr. PALMISANO. As I understand, there has not been any objection anywhere.

Mr. MAPES. It provides for underground cables; it provides for other things, and it is a matter of importance, I think, the gentleman will concede. For all I know it is all right, but it ought to be passed upon by some responsible agency of the Government, and it seems to me it should be referred to the Interstate Commerce Commission before we act upon it blindly here.

Mr. BYRNS. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BYRNS. Press reports state that the Reconstruction Finance Corporation has loaned $60,000,000 to the Pennsylvania Railroad—and I am confirmed in that recollection by the gentleman from Louisiana [Mr. SANDLIN]—for the purpose of doing this work. I take it that it is thoroughly agreeable with the Interstate Commerce Commission, since the Government has allocated that amount of money for the purpose of doing this work.

Mr. HASTINGS. And the bill has already passed the Senate.

Mr. BYRNS. The bill has already passed the Senate, and has been recommended by the House committee.

Mr. MAPES. It may be that the assumption of the gentleman from Tennessee [Mr. BYRNS] is correct. It may have been referred to the Interstate Commerce Commission. I do not know. My point is that before acting upon an important measure of this kind, the House should have before it something more than an assumption that it has been referred to the Interstate Commerce Commission. We should have a definite report from the Interstate Commerce Commission before acting upon it.

Mr. BYRNS. The gentleman, of course, knows that the Reconstruction Finance Corporation would not have taken the step of loaning that immense amount of money without entire approval by the Interstate Commerce Commission.

Now, that being so, and the Senate having passed this bill, and the House committee having favorably recommended it, it seems to me, since it involves simply the question of a permit to enable this railroad to proceed with the work of electrifying its lines between Washington and New York City, that this bill should be passed. The gentleman from Maryland has stated that without this permit the railroad will be unable to proceed and to put these men to work.

Mr. MAPES. My position, Mr. Speaker, is simply this: I assume this is a perfectly good bill, but from hearing it read it occurs to me that there are several important affirmative provisions in it, and it should not be passed by the House without the approval of the Interstate Commerce Commission. This approval can be obtained without any difficulty. For myself, I would not want to take the responsibility of acting upon it without the affirmative approval of the Interstate Commerce Commission.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. BULWINKLE. Has not the Interstate Commerce Commission already approved the electrification and the work being done by the Pennsylvania Railroad?

Mr. MAPES. I do not know whether it has or not.

Mr. BULWINKLE. It is bound to have approved it, for the railroad has borrowed the money for this purpose from the Reconstruction Finance Corporation.

Mr. MAPES. I do not know whether the Interstate Commerce Commission has approved this bill. Reference is made in the bill to underground cables and other important matters. It is not a very difficult thing to secure the approval of the Commission if the project meets with its approval; and it is my belief that we should have knowledge of the attitude of the Interstate Commerce Commission before we act upon the bill.

Mr. BULWINKLE. I might say to the gentleman from Michigan that the Interstate Commerce Commission did approve the loan which is being made by the Reconstruction Finance Corporation to carry out the work.

Mr. BYRNS. I think that is sufficient answer to the gentleman from Michigan.

Mr. PALMISANO. This bill only permits the District Commissioners to grant a license to do the very thing that is stated in the bill.

Mr. MAPES. Will the gentleman again read the reference in the bill to the Interstate Commerce Commission?

Mr. PALMISANO. That is section 4 of the bill. It reads as follows:

SEC. 4. Nothing herein contained shall be construed as limiting or abridging the authority of the War Department, the Commissioners of the District of Columbia, or of the Interstate Commerce Commission.

There is nothing in this bill that would limit their rights.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. BLANTON. This bill merely permits them to exercise in the District of Columbia those rights that they exercise everywhere else between here and New York in the electrification of this railroad. It gives them no additional franchise of any kind. I think the bill is all right.

Mr. MAPES. It provides for the laying of certain underground cables.

Mr. BLANTON. That is absolutely necessary. The Commissioners still have control of all these matters, for the bill itself retains jurisdiction and control in the Commissioners and the Interstate Commerce Commission.

Mr. MAPES. Mr. Speaker, I think it is a very easy matter to have this bill passed upon by the Interstate Commerce Commission. I dislike to object, but——

Mr. BYRNS. Mr. Speaker, I make the point of order that it is too late to object. This is District day, and it is in order to call the bill up for consideration.

Mr. BLANTON. This bill is called up as a matter of right.

The SPEAKER. The point of order is sustained.

Mr. MAPES. Mr. Speaker, I listened very carefully as the bill was called up and watched the proceedings with that point in mind. After the colloquy with the gentleman from New York, the Republican leader, nothing was said except that the Clerk would report the bill.

Mr. BLANTON. But this is District of Columbia day, and the District of Columbia Committee has a right to be recognized to call a District of Columbia bill up as a matter of right.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman from Michigan yield?

Mr. MAPES. I yield.

Mr. COCHRAN of Missouri. Why should the Interstate Commerce Commission pass upon a matter that deals solely with the District of Columbia? This bill simply extends power to the District Commissioners to take care of a local situation. It is not a matter for the Interstate Commerce Commission.

Mr. MAPES. Because it pertains to a railroad and should have the approval of the Interstate Commerce Commission.

Mr. BYRNS. Does the gentleman believe that the Reconstruction Finance Corporation would approve a loan of $60,000,000 to this railroad unless the Interstate Commerce Commission had passed upon it?

Mr. MAPES. I do not think we are acting with a due sense of responsibility if we pass this bill without the approval of the Commission.

Mr. BYRNS. Does the gentleman, merely upon that sort of an objection, wish to delay this opportunity for employment another 2 weeks—merely because the gentleman thinks this ought to be again submitted to the Interstate Commerce Commission?

Mr. MAPES. When the gentleman says "again submitted", is he speaking accurately? I have been trying to find out if it has been submitted to the Interstate Commerce Commission at all.

Mr. BYRNS. It was not submitted by the House committee, but I assume it was by the Senate committee.

Mr. O'CONNOR. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR. I asked the Chair whether unanimous consent was necessary to call up this bill and the Chair ruled that it was not necessary.

The SPEAKER. That was the ruling of the Chair.

Mr. MAPES. Mr. Speaker, I have no desire to be technical in this. If the gentleman from Maryland wishes to move that the House consider this legislation, of course, I cannot object to that, but I do object to taking it up by unanimous consent.

The SPEAKER. This bill is on the House Calendar.

Mr. MAPES. But no effort has been made to call it up except by unanimous consent, and unanimous consent has not yet been given.

The SPEAKER. This is District of Columbia day, and the Acting Chairman of the District Committee, by direction of that committee, may call this bill up as a matter of right. The Chair will say that a similar House bill was favorably reported by the District Committee and placed on the House Calendar before the Senate bill came over. Under rule XXIV, clause 2, the Committee on the District of Columbia could dispose of this bill under the provisions of clause 1 of the same rule or the committee could dispose of it under clause 8 of that rule.

Mr. PALMISANO. Mr. Speaker, I move that the House consider the bill (S. 2950) to authorize steam railroads to electrify their lines within the District of Columbia and for other purposes.

The motion was agreed to.

Mr. MAPES. Mr. Speaker, I could not hear the motion or the statement of the Speaker. May I ask what the status of the bill is at this time?

The SPEAKER. It is before the House for consideration.

Mr. BLANTON. Under the rules of the House.

The SPEAKER. It is before the House under the rules of the House. The Clerk will report the bill.

The Clerk again read the Senate bill.

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

BUILDING-AND-LOAN ASSOCIATIONS

Mr. PALMISANO. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 2089) to amend the Code of Laws for the District of Columbia, approved March 3, 1901, as amended (D.C. Code, title 5, ch. 3), relating to building-and-loan associations.

The SPEAKER. The Clerk will report the bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Code of the District of Columbia (31 Stat. 1300; D.C. Code, title 5, ch. 3) is amended by adding at the end of title 5, chapter 3, thereof, the following new sections:

"SEC. 55. Personal property: The board of directors of any building association incorporated or unincorporated, organized and existing under the laws of the District of Columbia, to do or now doing, in the District of Columbia, a building-association business, in their discretion, may purchase the bonds of the Home Owners' Loan Corporation created pursuant to the authority of the Home Owners' Loan Act of 1933, approved June 13, 1933 (and said association is hereby permitted to carry said bonds as an asset at the par value of said bonds) or may subscribe and pay for shares of any Federal corporation created or authorized by law to lend money to building-and-loan associations.

"SEC. 56. Any building association incorporated or unincorporated, organized and existing under the laws of the District of Columbia, to do or now doing, in the District of Columbia, a building-association business, is authorized and empowered to exchange mortgages or deeds of trust or the notes or bonds secured thereby or other obligations and liens secured on real estate or any real estate, which it may have or hold, for the bonds of the Home Owners' Loan Corporation created pursuant to the authority of the Home Owners' Loan Act of 1933, approved June 13, 1933, and said association is hereby authorized to carry said bonds as an asset at the par value of said bonds."

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

RECIPROCAL TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 8687, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON. Mr. Chairman, I yield 25 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, regardless of the attitude toward this proposed legislation, everybody must recognize it as a very important item of proposed legislation. Some question has been raised as to the constitutionality of this proposed legislation. I lay no claim to being a constitutional lawyer, but I think I know as much about the Constitution as some constitutional lawyers. If I were able to do it, there are two or three things I should like to do. I should like to take the strut out of statesmanship, and I should like to bring the Constitution within the comprehension of the average person in America.

Those of us who are lawyers and those of us who claim to be statesmen are a great deal like doctors; we are somewhat opposed to using terms that folks can understand. I sometimes think if we statesmen were to pursue the methods of the chemist, or rather, if the chemist were to pursue the policy of ours, if he were asked to ascertain the composition of some representative samples taken from a mountain, instead of analyzing the samples he would analyze the mountain out of which the samples came and go through a process of high-sounding reasoning and deduction as to what is the probable contents of the samples.

Now, as a matter of fact, there is not anything very difficult of understanding about the constitutionality of this bill. It is a plain question of whether or not Congress has the power to delegate to the President the responsibility contained in the bill, and this is not a new question in America. From the beginning of the Government, Congress has found it necessary to make delegations of power to the Chief Executive similar to, though not as extensive as, those proposed by this bill. The principle is identical. The degree is different, but principle and not degree is the test which determines constitutional power.

During Washington's first administration the Congress gave to the Chief Executive the power to levy a prohibition against the ships of foreign countries if, in the judgment of the Executive, this was necessary in order properly to protect the public interest. There was a long series of legislation of this sort. The constitutionality was tested first in the Supreme Court and determined in the opinion cited in 7 Cranch., known as the "Brig *Aurora*."

I shall not take time to discuss this decision, because it is referred to in One Hundred and Forty-third United States Reports, which is perhaps the leading case. This is the case of Field against Clark. This matter reached the Supreme Court when it was required to construe Federal statutes which, while levying a tax upon sugar, leather, tea, and other articles, provided, in substance, that the President might suspend these tariff rates in the event he could make a favorable trade with foreign nations.

You will observe the discretion that was lodged in the President in this case. The President's discretion was as broad as the field of American commerce. It is true he was given a limited number of articles with which he could trade with foreign countries, but the principle and power are the same as though he had been given the entire list of commodities.

This power of Congress to so empower the President was tested in this case, Field against Clark. The question was raised that section 3 of said act was unconstitutional and void in that it delegated to the President the power to legislate, the power to deal with import duties, which power, by section 1 of article VIII of the Constitution, is vested in the Congress.

In this opinion the Court reviewed the former acts of Congress from Washington's administration down, to which I have referred, approved them and held that in the acts under challenge there was no unconstitutional attempt to delegate powers to the President. I will call your attention to section 3 of the act under examination in that case. This reading is perhaps not very interesting. I appreciate the attention that the Members of Congress are giving to this rather dry statement of a very important matter.

This is section 3 of the act to which I have referred:

> With a view to secure reciprocal trade with countries producing the following articles and for this purpose on and after the 1st day of January 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugar, molasses, coffee, tea, and hides, raw and uncured, or any other such article, imposes duties or other exactions upon the agricultural or other products of the United States—

And so forth.

In the event the President became convinced of these facts and then became convinced of the opportunity of making a good bargain—this is the plain common-sense translation of the language—the President was authorized to make a trade agreement and in making that trade to modify an existing rate.

The Court here refers to the decision in the case of the brig *Aurora* (7 Cr.), to which I have referred, and approved that decision. I am proceeding as rapidly as I can because I do not want to take too much of your time.

Among the declarations of the Court in this opinion is this one:

> If we find the Congress has frequently, from the organization of the Government to the present time, conferred upon the President powers with reference to trade and commerce like those conferred by the third section of the act of October 1, 1890, the fact is entitled to great weight in determining the question before us.

Which was a question of constitutionality.

This pronouncement of the Court is important because of the fact that since the beginning of the Government powers similar to that sought to be conferred by the bill now under consideration were conferred by the Congress upon the Chief Executive. The Supreme Court pronounced the rule of construction in this case, of Field versus Clark, which is the present rule of construction, that long-continued governmental practice is to be given great consideration.

Now, you will recall the language contained in the act, construed in the One Hundred and Forty-third United States, referred to—

> That at any time after the passage of this act it shall be lawful for the President of the United States, if he shall deem it expedient—

And so forth.

You have heard a good deal in the argument with reference to the unconstitutionality of this bill that it does not put up a definite yardstick. There can be no broader yardstick than that contained in the act approved by the Supreme Court, in which it held that a delegation to the discretion of the President by the Congress to act whenever he, the President, should deem it expedient, when he examined the facts and matured a judgment he should put into operation powers conferred upon him by the Congress if he deemed it expedient.

I continue to quote from Field versus Clark:

> While some of these precedents are stronger—

The Court is referring now to the legislative precedents to which I have referred—

> than others in their application to the case before us, they all show that in the judgment of the legislative branch of the Government—

Now, pay particular attention to this, if you please—

> It is often desirable, if not essential, for the protection of the interests of our people against the unfriendly and discriminating regulations established by foreign governments, in the interests of their people, to invest the President with large discretion in matters arising out of the execution of statutes relating to trade and commerce with other nations * * * as given by so many acts of Congress and embracing almost the entire period of our national existence should not be overruled, unless upon a conviction that such legislation was clearly incompatible with the supreme law of the land.

And, again, the Court holds in this case—and I am refering extensively to this decision, because it clearly is the leading case in the United States, establishing the power of the Congress to make this character of delegation of authority to the President which is embodied in the bill under consideration. The first of these acts to which the Court refers was that of June 1, 1794, and was during Washington's first administration.

He was given power to lift certain restrictions on international commerce and to reestablish them whenever in his opinion—not the opinion of Congress—the public safety required. If not in this act the power to reestablish was given, it certainly was given by a subsequent act, the one construed in Seventh Cranch referred to.

This is interesting in view of the fact that while it is held that Congress cannot delegate to the President legislative power, it is also held that the delegation of this sort of power, the sort proposed by this bill to be delegated, is not a legislative power or authority.

With your permission, I am going to move across a considerable period of time in our governmental history and direct your attention now to a comparatively recent case—the case of Hampton & Co. against the United States, reported in Two Hundred and Seventy-sixth United States Reports. Opinion by Mr. Chief Justice Taft.

I think this is the only other authority to which I shall refer, although I have a memorandum of others.

This case arose under the flexible-tariff provision of the tariffs acts, with which you are all familiar. The contention was made in that case that Congress had no constitutional authority to make that delegation to the Chief Executive. In other words, it was attacked as an attempt to delegate to the Chief Executive the power to make a law.

The Court passed squarely on that question and held in that case, in that situation Congress had not delegated legislative power to the President. The Court recognized, of course, the great power that had been delegated to the President, but held it was within constitutional warrant.

Chief Justice Taft, in the rendition of this opinion, likened the power exercised by the President under the flexible provision to the power exercised by the Interstate Commerce Commission. It is like that power. These powers come from the same source, and their delegation is subject to identically the same constitutional limitations. When you contemplate the powers exercised by the Interstate Commerce Commission under the delegation by the Congress, you may quite appreciate within what scope the powers of Congress can be delegated to the Chief Executive under the provisions of the Constitution dealing with the revenue.

This opinion, if you will take occasion to examine it, if you have the interest to do it, you will find that it and the opinion which I cited in the One Hundred and Forty-third United States cover the whole field. In other words, it is not at all necessary to make an examination of any other authority in order to understand exactly what is the holding of the Supreme Court of the United States in regard to this sort of legislation.

Perhaps it would be worth while for me to take a little time to call attention to section 315—I believe that is the act of 1922——

Mr. SAMUEL B. HILL. Section 315 corresponds to section 350.

Mr. SUMNERS of Texas. Section 315 provides:

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in costs of production in the United States and the principal competing country, he shall, by said investigation, ascertain said differences and determine and proclaim the changes in classifications or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in such costs of production necessary to equalize the same.

Here is something that possibly a good many have overlooked. I had until I made this examination. In section (c) of this act it is provided that in ascertaining the difference between the cost of production under the previous subdivisions, (a) and (b) of this section, the President, insofar as he finds it practicable, shall take into consideration the difference in conditions in production, including wage, cost of material, and other items, in the cost of production of such articles in the United States and in competing territory. Then follows 2 and 3 and 4, and 4 is a very interesting provision. It is as follows:

Any other advantage or disadvantage in competition.

Therefore, we have a law on the statute books now which authorizes the President of the United States in modifying the rate fixed by the Congress up or down 50 percent to take into consideration what we know as the cost-of-production difference, and then any other advantage or disadvantage in competition. That is as broad as the earth. It is difficult to conceive of any motive or reason or justification that a President would like to have actuate him in changing tariff rates which he wants to change that could not be covered in under that language.

I want now to refer you to the language of Chief Justice Taft, already referred to, in which he declared that the same principal which permits Congress to delegate power to fix railroad rates authorizes Congress to delegate power to fix custom rates.

This is what the Court held:

The same principle that permits Congress to exercise its rate-making power in interstate commerce by declaring the rule which shall prevail in the legislative fixing of rates and enables it to remit to a rate-making body created in accordance with this provision the fixing of such rates justifies a similar provision for the fixing of customs duties on imported merchandise.

After one reads that declaration by the Supreme Court and calls to mind the wide range of discretion exercised by the Interstate Commerce Commission of the United States in fixing rates, any lingering doubt as to the constitutionality of this bill disappears. I have not tried to make a constitutional argument of the orthodox sort. I hope I may have been of some assistance even to those who do not agree with my conclusions.

I am going to yield now for a few minutes to any inquiries that Members may desire to put to me. How much time have I remaining?

The CHAIRMAN. Seven minutes.

Mr. SUMNERS of Texas. I am going to ask the chairman for just a few minutes more in order that I may yield for a few questions.

Mr. DOUGHTON. I yield the gentleman 10 minutes more.

Mr. SUMNERS of Texas. I should be glad to yield to any questions. This House is a very interesting body to me. I have found that most people who ask questions in this House want some information. Of course, occasionally someone will ask a question to trip one up, but that is all right.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. MAY. I have been trying to follow the argument of the gentleman, and from what I have heard I have the idea that the sum and substance of the holding in the case in the One Hundred and Forty-third United States Reports and the subsequent case by Chief Justice Taft is that the Congress does not delegate to the President legislative authority, but mere power to deal with the legislation submitted to him, and leaves entirely to the President the exercise of discretion as to the time, the necessity, and the methods of applying the legislation to the particular questions which he has to consider, and that it is not in fact a delegation of legislative authority, but merely a delegation of power to deal with legislation that has already been enacted.

Mr. SUMNERS of Texas. That is what the courts hold with regard to the powers which have heretofore been delegated by the Congress to the President. That is what the courts have held with regard to the extraordinary powers that have been delegated by Congress to the Interstate Commerce Commission, and there are some other decisions, a number of them, dealing with the constitutionality of the delegation of power which Congress has delegated to various other agencies of the Government which exercise discretion. In this particular case, to translate the language of this bill into simple language, it is this: If enacted, it would carry with it a declaration on the part of Congress that the job of rehabilitating this country has not been completed. It seems to me to indicate a judgment on the part of Congress that one of the chief difficulties of ours, or the chief diseases, lies in our economic circulatory system. I like to use that expression because a long time ago I coined the phrase, and I never have been able to get anybody to repeat it. We have about all the things we need in this country and in the world, plenty of everything, but they do not circulate. We have just as definite an economic circulatory system as a doctor can find in the human body. We have an economic circulatory system in the world of which we are a part. No man lives unto himself and no nation can live unto itself.

We are a part of the business of the world. We are a part of the economic body of the world. This bill recognizes that we are in an unusual situation. Possibly the Congress would not be willing to express a judgment as to what ought to be done and project that judgment into the period between this Congress and the next Congress, because things are too much in a state of flux. That is one reason why this bill is proposed.

Now, by this bill what you propose to do is to say to the President of the United States, "We are concerned to see normal economic circulation revived in this country and revived in the world, and we give you authority to do what you can to help in that regard, taking care of the interest of our people. You are authorized to move to the right or the left, up or down, and if you find that movement in either of those directions carry you into greater difficulty, carries you not to the goal, then you can change your direction, and change before too great harm may be done to our hope and to the world's hope of recovery. While we must preserve our unrivaled nationalism and guard our economic independence, insofar as it exists, it would seem an impossible thing for us to reach a happy, secure, economic stability in which the other nations have no part.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman from Texas [Mr. SUMNERS] 10 additional minutes.

Mr. TERRELL of Texas. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. TERRELL of Texas. I have read the decision to which the gentleman has referred and note carefully that the Court holds that this delegation of taxing power is not a delegation of the power. For instance, if the President raises a tariff duty 50 percent, as he is authorized to do under the law, the Court holds that he is not levying a tax on the people. That is what I understand to be the holding of the Court.

Mr. SUMNERS of Texas. I do not think that is the holding.

Mr. TERRELL of Texas. I think that is exactly what it holds. I think it is, and I want to know the gentleman's opinion as to whether or not he is levying a tax if he raises the duty to 50 percent, because taxing is the power of Congress and not the power of anybody else.

Mr. SUMNERS of Texas. Possibly the gentleman is right.

Mr. MOTT. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. MOTT. I should like to ask the distinguished jurist——

Mr. SUMNERS of Texas. That is not I.

Mr. MOTT. I think it is. I should like to ask the distinguished jurist if he does not think there is a fundamental difference between Congress setting up a commission like the Interstate Commerce Commission, for the purpose of regulating domestic utilities by fixing rates, and Congress delegating to the Executive legislative authority to make tariffs?

Mr. SUMNERS of Texas. Yes; there would be a difference if the gentleman's premise were sound.

Mr. MOTT. I understood the gentleman to draw a parallel between those two actions of Congress, and to say that they were similar.

Mr. SUMNERS of Texas. Perhaps I can state my view on what I believe is part of that which is in the gentleman's mind. When Congress delegates power to the President it does not thereby delegate power to the Chief Executive as such. It delegates power to an individual who is defined and located by the description of the office which he holds.

Mr. MOTT. If the gentleman please, I did not say the executive department. I said "Executive", and by that I meant the President.

Mr. SUMNERS of Texas. Yes. I may have involved myself in trying to be clear. The delegation of power to the President, insofar as its constitutionality is concerned, is the same as the delegation of power to any other person, not the President.

Mr. MOTT. I can see that distinction; but is not the power delegated an entirely different kind of power? Is not the power delegated to the Interstate Commerce Commission to regulate domestic utilities by fixing rates entirely different than the power which this bill proposes to delegate to the President, to exercise a function formerly exercised by Congress?

Mr. SUMNERS of Texas. May I say to my friend that the power of Congress to regulate rates in interstate commerce is identically the same sort of power which the Congress holds under the Constitution to regulate import duties. That is what I am trying to say. So a delegation to an agency to deal with one, insofar as constitutional questions are concerned, seems to me to be identical with the delegation of power to deal with the other. I am afraid that is as clear as I can make it. That is my view, and that is the best I can do about it.

Mr. MOTT. That is clear. But does not the gentleman think there is a difference between the power impliedly in Congress to regulate domestic utilities by fixing a rate, and the specific power of making tariffs, which is given to the Congress by the Constitution?

Mr. SUMNERS of Texas. No; not insofar as the nature of the power or insofar as the ability to Congress to delegate is concerned. That is the best I can do about it. I may be wrong, of course. I think not.

Mr. GILCHRIST. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. GILCHRIST. I wish the gentleman knew how much I appreciated his opinion, and he would then know why I am asking this question. In the Hampton case, Two Hundred and Seventy-sixth United States Reports, the question before the Court was one in which the Tariff Commission had indeed found, and had indeed told, the President what it regarded as the difference in cost of production. Is that a correct statement of the case?

Mr. SUMNERS of Texas. I assume that is correct; yes.

Mr. GILCHRIST. Now, if that is true, then insofar as the Court discussed any other proposition in the case, as, for example, the general omnibus provisions of the act whereby the President could change tariffs for any other reason, that discussion would not be appropriate to the real decision if the facts were such as were based on the difference in cost of production.

Mr. SUMNERS of Texas. I think the gentleman is largely correct in his conclusion. I do believe, however, in reading this case, that the Chief Justice anticipated questions that might arise, and did intend to pronounce the judgment of the Supreme Court not only with regard to this matter but with regard to the closely associated collateral matters which he might expect to come.

For instance, the declaration of the Court in this case with regard to the Interstate Commerce Commission in a very definite sense is obiter, but that pronouncement was so related to the thing decided and is so obviously sound that it may be given full credit as a definite determination by the court of last resort of the fact of law embodied in the words which I have quoted.

Mr. GILCHRIST. I am simply pointing out that those things are not really within the case so far as the decision itself is concerned.

Mr. SUMNERS of Texas. That is right.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. JENKINS of Ohio. I have followed the gentleman's discussion very closely. From what I understood him to say, he considers this law as a continuation of the policy laid down in the flexible clause of the present tariff act.

Mr. SUMNERS of Texas. It is an extension of the same power.

Mr. JENKINS of Ohio. If it is an extension of the flexible provision, how can the gentleman square his vote against the flexible provision 2 years ago with his present advocacy of this power?

Mr. SUMNERS of Texas. Of course the gentleman is not asking me a question that deals with the constitutionality of this bill, the thing at the moment being considered; but I will answer him.

Mr. JENKINS of Ohio. I think the gentleman would not vote for anything that was not constitutional.

Mr. SUMNERS of Texas. I voted against it before. The gentleman would not want to hold me to vote for everything just because it was constitutional.

Mr. JENKINS of Ohio. I do not think the gentleman would vote for any bill that was not constitutional.

Mr. SUMNERS of Texas. I voted against it before, whatever you may want to make of that.

Mr. TOBEY. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. TOBEY. I want to read the gentleman three short paragraphs and ask him a question at the conclusion. This is from a statement made on the floor of the House February 13, 1932, by the gentleman from Texas [Mr. SUMNERS]:

> There is a tendency in this country manifested when we come to write a tariff bill to surrender the powers which Nature says belong to the representative branch.
>
> They are being surrendered to the Executive. That is the truth of it; and we are accumulating about the President of the United States powers so great that no human being in human history has been able, and no human being ever will be able, to possess without their abusive exercise. I mean God Almighty has put that limitation upon human capacity.
>
> When we come to deal with our powers and responsibilities, gentlemen of the Congress, let us not try to hide ourselves and protect ourselves against the people through the shifting of powers to the Executive—powers which belong to us.

Does the gentleman still feel that way?

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Texas.

Mr. SUMNERS of Texas. I think the statements of Mr. SUMNERS on the floor under the circumstances under which they were uttered were very wise statements. [Laughter.] And if anybody believes that I believe in these concentrations of Federal power as a permanent policy of government or as a policy under normal conditions, he is very much mistaken. I not only do not like these concentrations of

power in the Federal Government but I do not like the concentration of power in the executive branch of the Government.

As I view this situation and as I have tried to state it several times on the floor of the House, we are not privileged now to deal with the economic conditions of this country safely. We passed that day and that opportunity while you were saying everything will be all right around the corner. Great difficulties were challenging us to meet the situation, but you were going along saying, "Everything will be all right—just around the corner."

I stated on the floor of the House during the last administration and tried to point out to my colleagues that we were headed for the rocks. The only response I got was "No, no." Now, we do not have the privilege of proceeding safely any more than a nation at war has the privilege of proceeding safely. We are engaged in the greatest economic war that ever challenged the genius of the statesmanship and of the people of any age or generation; and now we are paying the penalty and the House is having to do dangerous things in order to save our very economic existence. If during the 12 years that preceded this administration—and I am not speaking only of the Republicans, I am speaking of the American people. I tried in my small way to rouse this Congress to a consciousness of its danger. I went to my own people and told them we were headed for the rocks; and nobody would listen. The man in the White House then, Mr. Hoover, I do not hold entirely responsible; it was the responsibility of the American people. The point I am trying to bring home to you gentlemen on the Republican side is that you fiddled while Rome was catching fire. Now we have got to try to put out the flames. I do not place all the responsibility on that side. I want that understood, for the gentleman has quoted what I said some years ago. What I said then was right, and sound under normal conditions.

A good many people seem to feel that we have about reached the shore and they are beginning to rock the boat. Every Republican voted against this bill in the committee; every Democrat voted for it in the committee. That is a dangerous sign. Over all this country we see people, it seems to me, who just a year ago were crying out for salvation, willing to do anything; now, when the President is trying to bring the ship to shore, the ship which has the whole United States aboard, they have forgotten their danger, having had a little taste of profits and dividends, and are rocking the boat.

If I am quoted on this next statement I hope the statement will be balanced up. Laboring men who have not had a job for 2 years and who now have a little taste of employment are looking around for an excuse to strike. Republicans who have been going along with the administration, standing shoulder to shoulder with the administration, are now playing for political advantage. Over on the Democratic side we are rowing about this thing, that thing, and the other thing. I am not criticizing you. The election is mighty close. If our situations were changed around I guess we would be doing the same thing. I am not putting on airs or assuming any "holier than thou" attitude, but may I say to the Democratic side and to the Republican side, and I hope I will not appear presumptuous, and to the great captains of industry and finance and to the laboring men, and to the people as a whole, that we have not reached the shore. We are in the middle of the stream, and we are living on borrowed money. This thing which a lot of people are mistaking for normal prosperity is the result of a shot in the arm and we have been borrowing the money to buy the dope.

I want to tell you right now, and I say to the American people today, that this Nation is on the brink yet. Of course, we all get irritated at some of these generals and professors telling the American people what to do, but I imagine they are worn to a frazzle. I imagine they are worn out. The point is when you rock the boat the other fellow is in you rock the boat you are in. We are all in the same boat. That is what I am trying to say. [Applause.]

May I tell you right now that this is no time to try to play any funny stuff. If there ever was a time in the history of the Nation when conditions challenged us to forget our personal interests and to put our hands to the oar and devote ourselves to trying to reach shore, it is this minute.

I am uneasy about the rows and controversies developing all over the United States. I do not think Mr. Roosevelt is other than a mortal. He makes mistakes. But there is a man who is giving his life in an effort to save his people. He is entitled to the confidence and support of everyone who has any concern for their own self-interests. He has not had a chance to do this thing properly. I do not like to see all these professors brought in. Professors are mighty good to instruct and advise, but they are mighty poor to direct and determine. They are all right in their job, but this is not their job. But they were about all he could get, because the truth is that most of us statesmen have been looking no further into the mysteries of statecraft, not much further, than the next election.

The President hoped to have a little time to orient himself before he had to tackle the job, but you will remember that the music of the bands that celebrated his inauguration was marred by the crashing of banks all over the Nation the very day of the celebration. When the responsibilities came he did not have a minute. The banks, the railroads, the life-insurance companies, the whole economic structure, was tottering and about to fall.

Up to this time in the main he has been trying to do two things. He has been trying to prevent that structure from falling, and at the same time keeping millions of idle people from starving. But the real work of construction and reconstruction in the main is yet to be done. The Democrats and the Republicans deep down under the skin are the same sort of people. I do not claim for the right-hand side of this Chamber one thing that I do not yield to the men and women on the left-hand side of this Chamber. I have never seen the time since I have been here when we were faced with a real crisis, and the men on the Republican side realized that the crisis was at hand, that they did not rise to as high a level of statesmanship as anybody on the Democratic side. At this time I am trying to speak to my people. You are not Democrats or Republicans in the hour of your Nation's danger. You are the representatives of a people who are looking to you in this hour of great peril. We are operating under a war psychology.

As I have tried to say two or three times, it is a very interesting fact that the Anglo-Saxon people, our people, who have operated a parliamentary system of government for over a thousand years, have developed certain governmental instincts. One of the governmental instincts which Anglo-Saxon people have developed is to scent the existence of a crisis that requires a quicker pick-up and a stronger power than the ordinary Anglo-Saxon institutions afford. Under such circumstances, en mass they turn from the ordinary operation of their governmental machines and concentrate governmental powers in their Executive. We have had the remarkable genius, however, of concentrating those powers and at the same time retaining the power to control their exercise and the power of recapture and redistribute them.

We are in one of those hours now. With all due respect, it is positively ridiculous for a man to stand on the floor of this House, when our country is at war with economic conditions and the whole nation is operating under a war psychology, and undertake to measure human conduct and legislative duty in this hour by the standards which the people observe under ordinary conditions. That is the answer to my friend, the distinguished gentleman who asked me with regard to what I said 2 years ago. I hope conditions will permit me to say that something less than 2 years from now I want these plans to be successful but not satisfactory. I believe in the people, in their ability, and in their right to govern themselves. No people can remain free who lose the capacity for self-government. That capacity can be preserved only by its exercise. If I did not believe that we could turn from this unsatisfactory condition and go back

to a condition of local and individual responsibility, I would say let the crash come now. I would rather have liberty and distributed responsibility than a half cent more per pound for my pigs. [Applause.] We have been a foolish generation, a childish generation. We have gone head-on into this awful mess. We have got to stand together or we fall separately.

The first thing to do now is to get shoulder to shoulder and work together. We are all in the same boat. I think you Republicans will pick up a good many votes, anyhow, next time. If we could get some like BERT SNELL and quite a lot of others over there I would not mind it so much. Of course, I would hate to give up any of the boys on this side, but in your desire to get votes do not rock the boat. The swimming will be just as hard for BERT SNELL and his crowd if you turn the boat over as it is going to be for the boys on this side and for our people.

There are some dangerous indications abroad in the land. I do not like this sort of legislation any more than you do. But the big job is to restore trade, to revive commodity circularization.

We have permitted whatever opportunity we had to proceed in the ordinary way to go by.

Quick action, ability quickly to back up if hurtful results begin to be manifest—these are demanded by the difficulties in which we are involved. That is why we have now to give these powers to the President.

I cannot just exactly tell you where I started and I am certainly not sure where I have arrived, but I know my time is out, and I thank you very much for the privilege of talking with you. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 25 minutes to the gentleman from Missouri [Mr. DICKINSON].

RECIPROCAL TARIFF AGREEMENTS

Mr. DICKINSON. Mr. Chairman, H.R. 8687 is a bill to amend the Tariff Act of 1930. Its purpose is the promotion of foreign trade. The surplus products of farm and factory should find a market in all foreign lands. Depression unparalleled in our history invites an earnest effort to restore prosperity to our common country. Unemployment is abroad in the land. A united appeal from the masses for relief should spur Congress to action. In response to this demand this bill is proposed and presented to Congress by the Ways and Means Committee at the instance of President Roosevelt, and its early passage urged upon this body. Confidence in the President is invited.

Trade and commerce are a necessity to the prosperity of nations and those nations in all ages that have encouraged commerce have grown in wealth and power. Note the life and history of Rome, Spain, Great Britain, and Japan. Ancient Rome became great and powerful through the extension of her trade and commerce with all nations and the Roman Empire dominated the known world. When she lost her world trade and commerce, her power and wealth were gone and isolation became her heritage. When Spain lost her foreign trade and her colonies to other countries, this once proud nation of extensive commerce dropped to a third-rate power, and might now be classed as a self-contained nation living within its own borders a life of isolation, her world influence largely gone. The power and wealth and influence of Great Britain is due to her trade and commerce with all the peoples of all climes and her trading vessels plow the waves of all seas, her commerce extends over all lands and the sun never ceases to shine upon her British colonies and possessions. Whenever she loses her trade and commerce, isolation will be her heritage and her power as a great nation of world-wide influence will have ended. Japan, uncivilized, lived in darkness and ignorance of the outside world until a great American steered his United States vessel into the harbor of Japan and there opened its eyes to the fact that there was an outside world with which it could trade. Today Japan is no longer a nation of isolation, but ranks as a first-class nation, conscious of its strength and power, seeking commerce and trade with all nations.

Many nations have tried by force to extend their trade and commerce to increase their wealth and to secure prosperity and to avoid the isolation, that brings decay. The great cities of the United States owe their large populations and accumulated wealth to the fact that they are located on the borders of the oceans and on great lakes and rivers where they can enjoy more favorable commerce.

This proposed bill follows the Democratic platform at Chicago in 1932, upon which the Democratic Party went to the country with its nominees and won a great victory at the polls in November 1932. The authority here sought to be given to the President to enter into foreign trade agreements with foreign governments by which our products of farm and factory can be sold in foreign markets is the same kind of authority given by other governments to their chief executives. Shall we sit idly by and refuse to give to our President by act of Congress the needed authority to increase our commerce and the larger export of our surplus products? To refuse would be to declare for the doctrine of isolation, which has darkened every nation in the past, that has built and maintained high walls of protection against trade wtih other nations. To maintain these high walls is to invite retaliation and reduce our exports to foreign markets. As other nations and governments have trusted their high executives with this authority, the same power should be given our President, who will safeguard the rights of the people of the United States and all its interests and industries. Let us not take too much counsel of our fears but rather have confidence and hope that our condition may be improved by an increased sale of our foreign products.

The weak countries in all ages are those that have darkened their lands by avoiding foreign trade, and the civilized and strong nations are those that have engaged in trade and commerce with other nations. You are invited by the minority not to have confidence in the President. I am told that the Republican minority is united in opposition to this bill. This is evidenced by the Republican minority report of the Ways and Means Committee in their apparent partisan opposition. Our Republican friends have little right to complain of our President, who has been generous to them in a largely nonpartisan administration. The doctrine of isolation that they advocate for our country and their party creed, which they proclaim in their opposition to this bill, will not avail them, nor restore them to power. They may forsake the doctrines proclaimed by their great leaders, James G. Blaine, William McKinley, and Theodore Roosevelt, and they may repudiate the recent utterances of Ogden L. Mills in his speech at Topeka, Kans., and they may now seek a new cry of isolation for their party creed, and call it America self-contained, but it will not avail them. The hope of the Nation will not rest on the desert of isolation. The argument against the constitutionality of this measure, in my judgment, will break down, answered so often by the Supreme Court in passing on somewhat similar provisions in prior tariff laws. I invite your attention to that part of the majority report, which, on pages 9, 10, and 11 of said report, so fully discusses this question.

The alarming decrease in our export trade calls for action to remedy this condition. We must increase our sales or lessen our production, lessen the employment of labor, lessen the return to prosperity from the deep depression into which our country was driven after 12 years of Republican rule. Trade and commerce with all nations has been the creed and doctrine upon which our country has grown great in wealth and prosperity. Let us not abandon that healthful policy that has enabled the United States to dispose of its surplus products to meet the needs of other countries.

Reciprocal tariff agreements have been long advocated in the past by prominent statesmen of the United States. This question comes to the front now, because of the break-down in world commerce, and while other nations are seeking, through trade agreements and tariff bargaining to increase their commerce, this country should be active in increasing her commerce with foreign nations at the earliest possible

date, so that the United States, by proper agreements, may dispose of her surplus products of farm and factory wherever possible. To effectuate that purpose it seems necessary by appropriate legislation to grant to the Chief Executive the power to promote foreign trade by reasonable and mutual agreements that may be beneficial and helpful to the contracting countries. Friendly trade with all nations would not only tend to increase the wealth of the trading nations but should tend to produce friendship and cordial relations and lessen the chances of war and world disturbances, and at the same time lower the high-tariff walls that destroy trade and commerce; that tend to impoverish the nations that cannot dispose of their surplus products. Discriminatory tariff rates in retaliation by one country against another should be avoided in the interest of peace and commerce.

We cannot afford to stand still and invite decay by neglecting to act, where action is necessary, or else our foreign trade may entirely disappear. Other nations are seeking new fields of commerce with other countries, and we must act quickly, and we can only do so by Executive action, and secure beneficial trade agreements by which foreign nations will purchase our surplus products rather than seek other markets.

Let me here quote brief extracts from the hearings before the Ways and Means Committee. The President in his message asking for this authority said:

> World trade has declined with startling rapidity. Our exports in 1933 were but 52 percent of the 1929 volume and 32 percent of the 1929 value. Other governments are winning their share of international trade by negotiated reciprocal trade agreements. If American agriculture and industrial interests are to retain their deserved place in this trade the American Government must be in a position to bargain for that place by rapid and decisive negotiation. Legislation such as this is an essential step in the progress of national economic recovery.

Secretary of State Hull in his testimony before our committee quoted President McKinley, who said, "Commercial wars are unprofitable." He further stated:

> The total exports of the United States fell from $5,157,000,000 in 1929 to $1,149,000,000 in 1933, while imports fell from $4,339,000,000 in 1929 to $1,122,000,000 in 1933.

He further said:

> International commerce on a fair and mutually profitable basis is the greatest civilizer and peacemaker in the experience of the human race.

The whole purpose, of course, is to promote primarily our domestic prosperity—that is, the primary and paramount purpose. We must have a market for our surplus products. Secretary of Commerce Roper said:

> The falling off of our foreign trade with other nations during the last 4 years has been among the major forces in paralyzing our economic system.

Mr. O'Brien, Chairman of the Tariff Commission, appointed by a Republican President, said:

> Whatever may be said about our tariff policy, as it applied during the last 150 years, we have reached the point now where under existing conditions, if we are to keep pace with the rest of the world, we must take action similar to the action they have taken with reference to negotiating trade agreements.

Assistant Secretary of State Sayres said:

> The power which this bill would grant is not in any sense a drastic departure from the power which has been exercised many times before in the history of our country by the President of the United States within the confines of power delegated to him by Congress—it is of the same kind carried on for the promotion of commerce from the earliest days. The loss of foreign markets to farmers means a lessened production, decreased acreage, and no surplus from agriculture, means also a loss to industry and closed factories, a discharge of labor, and increased unemployment.

Let us not abandon our foreign trade without a trial through Executive power to extend our needed foreign markets. Let us not withdraw our freight vessels from the high seas and tie them up in habors there to decay, because of the end of commerce with foreign countries. If any foreign trade agreement fails to bring helpful results, it can be quickly terminated under the terms of the last section (b) of this bill, which reads as follows:

> Every foreign-trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

A failure to pass this bill will be taken and understood as a want of confidence in the President of the United States. Whom the people trust with great power, Representatives in Congress can well afford to trust with reasonable power to negotiate trade agreements to increase our foreign trade. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 1 hour to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, no one who respects the constitutional limitations which insure the orderly operation of this Government can look upon this bill with anything but amazement and dismay.

It is amazing that the party in power should be so lacking in the sense of responsibility as to make a proposal to demoralize the operations of government. It is shocking that this outrageous proposal is made in the name of economic equilibrium and recovery.

But amazement deepens into dismay when it is realized that the Democratic Party not only intends to perpetrate this outrage upon the Constitution, but possesses the power to accomplish its purpose temporarily. During the period between enactment of this measure and the inevitable judgment that will declare it null and void, the Government, industry, and individual citizens will suffer incalculable injury.

The first and most important power conferred upon Congress is the power to lay and collect taxes and duties. This is the power of life and death, not only over the Government, but over industry and individuals. The people conferred this power upon Congress and denied it to any other agent. Congress cannot divest itself of this power while the Constitution lives. It may try to do so, but its attempt will merely lead to damage, confusion, and failure.

I indict this bill as unconstitutional to the core, because it attempts to rob Congress of its power to lay and collect duties.

The most important power of this House is the exclusive power to originate bills for raising revenue. The people require this House to determine how and to what extent they shall be taxed.

The House cannot divest itself of this authority. Congress must control all the sources of revenue. Unless the House ascertains these sources and provides for the national finances, the Government cannot endure. It would be impossible to regulate the income and expenditures of the Government if any agency other than Congress should have power to raise revenue.

This bill attempts to violate the Constitution by depriving this House of the right to originate bills for raising revenue.

We all know that the American Union was established as a result of conflicts over commerce and the impossibility of regulating foreign commerce by the separate States. The power to regulate foreign commerce is vested in Congress by the Constitution. Next to the power to tax, the regulation of commerce is perhaps the most important authority conferred upon Congress.

Yet this bill proposes to take away from Congress its power to regulate commerce. If this bill becomes law, Congress will have abdicated its power. The President will become the lawmaking power in all that pertains to commercial relations with all foreign nations. He will not only have power to raise or lower duties but he will be empowered to impose import quotas and licenses, discriminate in exchange and clearing regulations, and set up restrictions requiring that imported goods shall contain a certain proportion of domestic produce. He can raise consular and other administrative fees. He can require goods to be marked in such manner as to restrict or increase imports from certain countries. He can impose sanitary regulations as a means of

regulating commerce. He can discriminate between foreign nations, favoring some and antagonizing others.

It is idle to say that Congress will have power to regulate foreign commerce after it has granted to the President these unlimited powers. Congress will be unable to determine the sum total of revenue if the President is empowered to fix the rates of duty on imported goods. He will have control over the revenue to a great extent by controlling foreign commerce.

In another vital particular this bill attempts to violate the Constitution. It proposes to transfer the treaty-making power to the Executive. I oppose this attempt with all the force at my command, because it is a furtive effort to accomplish by indirect means the destruction of the power of Congress to lay and collect duties and of the power of this House to originate bills for raising revenue.

We are denied information regarding all of the ultimate objectives of this measure; just another measure the people must not know about until it is too late. Rumor has it we have agents in Europe making deals now. One is for free cement from Belgium. How will the cement manufacturers from the Atlantic seaboard like that? Another is free lumber from Russia. How will the Northwest like that? And there are many others, all of which means destruction of American industries. Spokesmen of the administration have admitted that one of the purposes of the measure is to destroy some of the industries of the United States. How many industries are to be destroyed is not disclosed, but apparently any industry which does not produce goods as cheaply as they can be obtained from foreign countries is marked for destruction.

The Secretary of Agriculture specifically mentioned the sugar-beet industry, the cane-sugar industry, the lace-making and fine textile industry, and the toy industry as scheduled for extinction. He described them as "inefficient", and announced that all inefficient industries must be destroyed, so that more efficient foreign industries may supply this market.

This process of destruction is to be merciful, according to Secretary Wallace. Industry is to be destroyed by slow torture instead of by a single deathblow. He said:

> The procedure should be slow, should be careful, taking into account the fact, we will say, for instance, that here are certain workers who have spent their whole lifetime working in a factory of this type and, if there is a rapid loss in markets for the goods produced through that factory, an injustice might be done, and that fair warning should be given.

Thank the Lord he is even that much interested in American industry.

Although Secretary Wallace admits that 5,000,000 Americans are employed in what he describes as "inefficient industries", he would destroy those industries. I call your attention to this extract from the hearings before the Committee on Ways and Means on March 8:

> Mr. WALLACE. I can conceive of a situation where Germany, for instance, might be willing to lower the tariff on lard in case she could move, we will say, some toys into the United States.
>
> Mr. REED. Well, would you favor lowering the tariffs on things Germany produces and ships to this country and which we produce here in our own country?
>
> Mr. WALLACE. If Germany can produce them more efficiently than we can, it would be of benefit to our consumers, and our consumers certainly represent the eventually dominant interest in our population. * * * Germany has a large number of small industries.
>
> Mr. KNUTSON. Are they efficient?
>
> Mr. WALLACE. They seem to be more efficient than our own; they are willing to sell at lower prices. The Germans are undoubtedly able to sell toys for less than our people are able to sell toys. * * *

Secretary Wallace thinks they are efficient because they are willing to sell for less than we do. If Americans worked as long hours and for as low wages as the Germans, they would equal that efficiency. Or, in other words, he would reduce American labor to the same plane as German labor or destroy them entirely. And if you pass this bill he will have more to do with its administration than any other man, for he has had a taste of the taxing power through the processing tax, and would be willing to have more.

> Mr. TREADWAY. You would not approve of the expansion of the growing of cane sugar in Florida?
>
> Mr. WALLACE. I would not, unless it is an efficient industry, and it is clearly not; they cannot produce as cheaply there as they do in Cuba.
>
> Mr. TREADWAY. They can employ American hands.
>
> Mr. WALLACE. We will have more net material welfare if we produce things we can produce efficiently and exchange them for goods produced more efficiently elsewhere.

From this statement you can see what will happen to your sugar industry.

This astounding revolution in American financial and commercial policy is not to be a mere emergency expedient. It is to be a permanent alienation of the powers of Congress. It is to make the Executive a permanent dictator over national revenue and commerce. I deny that the language purporting to limit tariff treaties to 3 years has any such meaning. The bill makes such agreements or treaties subject to termination, but they do not automatically terminate. They remain in full force and effect unless formal notice of termination is given in advance of expiration.

The spokesmen of the administration in advocating this bill plainly give notice that it is permanent legislation. Congress is duly warned that it need not expect to recapture its powers if this bill should withstand the judicial test.

I have no doubt that this measure, if enacted, would be kicked out of court as unconstitutional, but great damage would be done in the meantime.

Secretary Hull told the Committee on Ways and Means that much could be done in executive tariff lawmaking before this bill could be made void by the courts. He said he had in mind the phases of the bill which might be unconstitutional, but he made it plain that the bill should be enacted, even if it is unconstitutional. Here is what he said:

> I have in mind all these phases, but at the same time I am literally moved, driven, and kicked into another line of thinking, which related to 30,000,000 unemployed people in the world. * * *
>
> Mr. TREADWAY. If those 30,000,000 people scattered throughout the world and their families are a first consideration, should not that clause of the Constitution be amended in order to take care of the 30,000,000 people and not to violate the Constitution directly by legislative action?
>
> Mr. HULL. That is what they said to Abraham Lincoln when he had to suspend one or two phases for the time being.

So, ostensibly for the time being, to help 30,000,000 people in foreign countries, the Secretary of State is willing to suspend one or two phases of the Constitution.

But is Congress willing? Is the Supreme Court willing? Are the people of the United States willing to destroy the safeguards of their liberty?

We have the solemn judicial admonition of Chief Justice Taft, in the majority opinion of the United States in the case of Hampton, Jr., against United States, that—

> It is a breach of the national fundamental law if Congress gives up its legislative power and transfers it to the President or to the judiciary branch.

In meeting the economic emergency let us not make a bad matter worse by violating fundamental law. Let us not create a jungle in which we would wander blindly until extricated by the Supreme Court. Let us solve emergency problems by law and not by outrage of law. Let us give to the President powers that will be effective because they are constitutional—not deceptive and futile appearances of power that cannot withstand the blast of judicial condemnation. Let us not cheat the people by pretending that relief can be given by setting aside the Constitution. While we are trying to help the people, let us not rob them of their guaranties of safety against unbridled excesses of power.

Now is the time for sane thinking, not hysterical leaps into unknown difficulties which would increase our national hardships. We cannot afford to delude ourselves or the people at this critical time. As honest legislators, we know that we cannot strip Congress of its constitutional powers. Why not be honest with ourselves and the people?

The pending bill represents the acme of Democratic inconsistencies. It is the culmination of one attack after another upon the Constitution. It is the capstone to the monument of powers abdicated by the Congress and delegated to the President. It is a complete about-face of the President and the Democratic Party.

Two years ago they sought to take from the then President his limited powers under the flexible provision of the Republican tariff act to change rates of duty and to require him to recommend to Congress any increase or decrease in duties proposed by the Tariff Commission. The Democratic Party at that time would not trust even limited powers to the President, but would require him to come to Congress for approval of his recommendations, and that party undertook to justify their position on constitutional grounds.

Now, however, they go farther in this bill by clothing the President with what is practically plenary power to make rates of duty within the limitation of 50 percent of existing rates. From the President's action there would be no appeal.

The Democratic platform of 1932 advocated "a competitive tariff for revenue", with a fact-finding tariff commission free from Executive interference. On this plank the Democratic candidate for President, now the incumbent of the White House, stood unequivocally. In his Albany speech of July 30, 1932, he said:

> It is a difficult and highly technical matter to determine standards and costs of production abroad and at home. A commission of experts can be trusted to find such facts, but not to dictate policies. The facts should be left to speak for themselves free from Presidential interference.

Note that the Democratic platform and the Democratic candidate were both opposed to "Presidential interference", and yet within the brief period of 2 years we find the President changing front on this question just as he changed front on his promise to preserve "a sound currency at all hazards."

In proposing the delegation of the autocratic power conferred by this bill, the President undertakes to give assurance "that no sound and important American interest will be injuriously disturbed."

When we remember the assurance given us by the President that he would administer the Economy Act with justice and sympathy toward veterans, which assurance caused many of us to support that measure, we cannot now but wonder what reliance may be placed in this latest assurance when we realize that by this bill you are placing the fate and destiny of our entire commercial structure in the hands of one man—power to use in his discretion. I declare and challenge successful contradiction that this is the first time in all our history that such grant of power has been proposed without recourse to Congress for approval of Presidential acts.

When the Democratic Party in this House 2 years ago sought to wrest from President Hoover his authority under the present law, they argued in favor of the prerogatives of Congress under the Constitution. Foremost was the able and distinguished gentleman from Alabama [Mr. BANKHEAD]. What my friend said then is even more applicable today in respect to the pending bill. He said:

> Here in this body and in the body at the other end of the Capitol under the Constitution are joined the powers to devise and frame legislation affecting the revenues of this country and its domestic and foreign economic policies as far as they are affected by the tariff. This bill * * * is but a return to the Congress of the United States of that original power and jurisdiction affecting these measures which, in my opinion, should never have been taken away from it and vested exclusively in the Executive of this country (CONGRESSIONAL RECORD, Jan. 8, 1932, p. 1508).

That is what my friend from Alabama said when we had a Republican President. I am waiting with much interest to see what he will say and how he will vote on the present bill affecting a Democratic President. Let us see who is playing politics.

Likewise, my genial friend, my colleague from New York, Mr. O'CONNOR, joined the gentleman from Alabama in protecting the constitutional rights of Congress.

Since Woodrow Wilson—

He said—

> the Democratic Party has stood for the proposition of taking the tariff out of politics and against the other extreme of putting it up there in the Executive Mansion (CONGRESSIONAL RECORD, Jan. 8, 1932, p. 1510).

The gentleman from Indiana [Mr. GREENWOOD], the present Democratic whip, was equally vehement. He said:

> The travesty in any tariff law, I think, has been to delegate the authority with reference to the creation of tariff duties and tax legislation to the Executive Department. I think it is contrary to the traditions of our Government, although the Supreme Court may have ruled that it is constitutional; still as a traditional policy of our country, I, as one Democrat, think I voice the sentiment of the majority of my party—I am opposed to the President of the United States enacting tariff duties or tariff fundamentals. (CONGRESSIONAL RECORD, Jan. 8, 1932, p. 1511.)

The gentleman from Kentucky [Mr. VINSON], a present member of the Ways and Means Committee, complained bitterly against delegating tariff authority to the President and the supine relinquishment of legislative power to the Executive.

We do not advocate—

He exclaimed—

> autocracy and bureaucracy, yet there are men who permit their growth in the name of expediency. * * * The Fathers who wrote the Constitution never contemplated the placing of the power to fix rates in the hands of the President. (CONGRESSIONAL RECORD, Jan. 8, 1932, p. 1538.)

But, Mr. Chairman, these expressions from our Democratic friends in the last Congress were but feeble echoes of the implications and denunciations hurled at the flexible provision of the Hawley-Smoot Act of 1930.

With no intention to further embarrass our Democratic friends, but with a view to refreshing their memories, let me quote briefly from the remarks of some of our distinguished Democratic friends made upon this floor at that time. We then had with us the present distinguished Secretary of State, Mr. Hull, for whom I have profound regard and respect. Judge Hull regarded flexible tariff provisions as "subversive of the plain functions of Congress" and an "unjustifiable arrogance of power and authority to the President."

Later on, in another body, he referred to the power granted to the President as a—

> Vast and uncontrolled power larger than had been surrendered by one great coordinate department of the Government to another since the British House of Commons wrenched the taxing power from an autocratic King.

And yet today we find our able Secretary of State advocating the passage of the pending bill, of which I might say he is the chief proponent.

The present Chairman of the Ways and Means Committee, the genial gentleman from North Carolina [Mr. DOUGHTON], was also solicitous for observing the constitutional rights of Congress. He said:

> The fathers who framed the Constitution, wisely, in my opinion, left to Congress the initiating and enacting of laws raising revenue. The flexible provision giving the President the power to raise or lower tariff rates to the amount of 50 percent renders nugatory in spirit and practical effect this provision of the Constitution. (CONGRESSIONAL RECORD, May 17, 1929, p. 1474.)

In the same tenor spoke our distinguished Democratic friend, the former Speaker of the House, Mr. Garner; our friend the former Member from Georgia, Mr. Crisp; Judge Ragon, of Arkansas; the late lamented Mr. Collier, from Mississippi; and other prominent Democrats, whose remarks I will not now take the time to quote, but will insert them in the RECORD at this point.

HON. HARRY C. CANFIELD

(CONGRESSIONAL RECORD, May 17, 1929, p. 1484)

> In my opinion, what is even worse than the raising of tariff schedules beyond all reason is the continuing of the flexible clause that is in the present law; and, in addition to that, in this bill you have given power to the Secretary of the Treasury and his subordinates to determine the value of any import brought into this country.
>
> If this bill is passed, you will surrender the rights of Congress, to the executive branch of the Government, and will destroy the right of the judiciary, as far as customs are concerned.

I am a believer in the Tariff Commission. I believe this body should be a nonpartisan, fact-finding body; and I also believe that after this body has made a thorough examination of any rate that is not satisfactory that these facts should be turned over to Congress and on these findings of fact the Congress should act.

HON. CHARLES F. CRISP

(CONGRESSIONAL RECORD, May 15, 1929, p. 1349)

Gentlemen, think what a potential power the power to make tariff rates would be in an election year, to let the President of the United States have the right to write a tariff bill. Stop and think about it. Do you think there would be any dearth of campaign contributions?

O gentlemen, you are surrendering your right under the Constitution. Our forefathers fought for that right—the right that the elected Members of the people, the Representatives of the people, should alone have to levy taxes against them. [Applause.] And here you are surrendering it; and when you have surrendered it, do not expect that you will get it back soon. If you should surrender this power and should pass a law to repeal it, the President could veto it, and it would take a two-thirds vote of both branches of Congress to override that veto, and it is seldom that either of the two great political parties in our country has a two-thirds vote in both branches of Congress.

O gentlemen, do not let the political exigencies of this case induce you to permit another entering wedge into the shrine of the Government as outlined by our forefathers, under which this Nation has grown and prospered until today it is the most powerful, the wealthiest, and most highly respected nation on earth.

HON. CORDELL HULL

(CONGRESSIONAL RECORD, May 13, 1929, p. 1212)

The proposed enlargement and broad expansion of the provisions and functions of the flexible clause is astonishing, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on the basis so broad and unlimited as is proposed in the pending bill. As has been said on a former occasion, "this is too much power for a bad man to have or for a good man to want."

HON. JOHN N. GARNER

(CONGRESSIONAL RECORD, May 9, 1929, p. 1080)

I want you all to turn over in your minds and see what it means for Congress, representing the people of America, to surrender its rights to levy taxes.

Remember this, gentlemen: When the legislative body surrenders its tariff power and its obligations to the Executive—under our system of government a majority can do that, but you can never recover them except by a two-thirds vote of the House and Senate.

Remember that when you surrender this power of taxation you surrender it for all time to come or until the two bodies by a two-thirds vote can take it away from the Executive.

If an ambitious man is in the White House, he will not surrender it. If a wise and patriotic man is in the White House, he may have a want of confidence in the Congress, so neither of them would be willing to give up the power.

This is what you have in this bill: First, you have surrendered your right for an indefinite period to raise or lower the rates, because there will be no occasion for another tariff bill until the American people rebel against the iniquity of what I believe to be the highest and most indefensible bill ever imposed upon the statute books. And you make the Secretary of the Treasury the absolute arbiter, and you have taken away from the courts the opportunity of the parties affected going into court and having them review the action of the Treasury Department.

HON. HENRY T. RAINEY

(CONGRESSIONAL RECORD, Jan. 9, 1932, p. 1595)

This bill increases your power; it gives you more authority over the tariff reductions or tariff increases; it takes away the idea that you can correct the tariff by raising it 50 percent or lowering it 50 percent.

It takes away from the President the power that you gave him in order to avoid the responsibilities of the office to which you were elected. This bill will place more work on this House, and you are to do that in order to earn the salaries you are receiving. If you do not, the time will come when the electorate will demand that the salaries of Members of Congress be reduced until they are commensurate with the service that you actually render. You cannot render service by shirking responsibilities and by shirking work in these matters. We are giving back to you the authority over your own tariff.

Now, here is the best and most complete of all arguments against giving this plenary power to the President to fix duties and to negotiate trade agreements with foreign countries.

This was made when the Democrats in Congress were "all het up" over the proposal for a flexible provision in the tariff.

But before I read this let me here explain the exact difference between the Republican proposal then made and now the law and the Democratic proposal contained in this bill.

Ours was that the President could raise or lower to the extent of 50 percent the existing duty on any imported article—upon the recommendation of the Tariff Commission—after ascertaining facts. Keep that in mind, after ascertaining the facts, where all interested parties had an opportunity to be heard. Nothing secret or covered up.

What is the Democratic proposal? That the President can do this without the recommendation of the Tariff Commission, without any ascertainment of facts or consultation of interested parties, but just according to his dictation. And added to that is the right to negotiate trade agreements with foreign countries, and none of these agreements are in any way subject to legislative review.

This is the official record of a protest made on September 30, 1929, against the flexible-tariff plan by the then Democratic minority in the Senate Finance Committee. Signed by Senator PAT HARRISON, Democrat, Mississippi, present chairman of the committee, and now in charge of the Roosevelt legislation. The protest was seconded by the following Senators, all Democrats: Senators KING, Utah; GEORGE, Georgia; WALSH, Massachusetts; BARKLEY, Kentucky; THOMAS, Oklahoma; and CONNALLY, Texas, each still Members of the Senate.

The interesting historical document reads:

A question of far-reaching consequences transcending consideration of party prompts us to issue a public statement in relation to the so-called "flexible provisions" of the tariff bill now pending before the Senate.

The question involved is one that in our opinion strikes at the very roots of constitutional government. It concerns the preservation unimpaired or the abandonment of the power of levying taxes by that branch of the Government which the forefathers agreed should alone be charged with that duty and responsibility.

Whatever argument could be advanced during the war and immediately following for delegation to a degree of the taxing power to the Executive, unquestionably no longer exists. To incorporate now in the law any recognition of the right of the Executive to impose taxes without the concurrence of the legislative branch is without justification.

Authority in the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government for which the independence of the country was attained and which was secured permanently in the Constitution.

The statement then further attacks the flexible-tariff proposal, and continues:

The principle is: Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible representatives of the people in the Congress, where public debate is held and a public record made of each official's conduct?

The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character, is tyranny. Resistance to the impairment of this popular right has largely occasioned many of the wars and revolutions of the past.

Calling attention to their attempts to secure Tariff Commission responsibility for the tariff changes, the Democrats declared:

For the purpose of preventing apprehended congressional delay an amendment has been made providing for the submission of the reports to the Congress by the President, and, furthermore, an amendment will be presented strictly limiting action by the Congress to matters germane to the particular subject matter or rates recommended by the President after investigation by the Tariff Commission.

We do not hesitate to say that if this extraordinary, and what we believe to be unconstitutional, authority passes now from the Congress it is questionable if there will ever again be a tariff bill originated and enacted by the Congress.

It is our solemn judgment that hereafter all taxation through the tariff and regulation of commerce thereby will be made by the Executive. It is the inherent tendency of this tariff-changing device and the apparently conscious purpose of its proponents to use it to keep the tariff out of Congress, where it is such an embarrassing business, as everybody knows, to the party that profits politically by it. So also it will be of distinct advantage to the interests thta are the direct beneficiaries of the tariff.

In an age where there has been a steady tendency to rob the individual citizen of his power and influence in his government through bureaucracy, we deem it our duty to vigorously protest any further encroachments in this direction, and especially with respect to taxation.

In the hope of arousing the people, regardless of party, to take a broad and public view of this important question, we make this appeal.

It will be interesting to note what these same distinguished gentlemen will say about this much further reaching proposal of President Roosevelt.

Mr. Chairman, never have I known of nor do I think there ever was a more complete stultification of views upon a fundamental question than is exhibited in the bill under consideration on the part of our Democratic friends.

For in this bill sent here by the President Congress is commanded to surrender absolutely to one man, without let or hindrance, the sole power to arbitrarily make tariff rates. Neither the industries to be affected nor labor in those industries will be vouchsafed even a hearing. We will not know what the rates are until they are proclaimed by the President.

I invite your attention to the statement made by Mr. Matthew Woll, vice president of the American Federation of Labor, on March 6, 1934, just 2 weeks ago, at the Bar Association of New York City. Mr. Woll said:

In venturing into and applying the method of process of trade treaties with foreign governments it is essential that workers should have an opportunity to be heard. It is equally important that participation of labor, as at present made possible and available, through an appeal to Congress and through direct representation on the Tariff Commission, should in no way be lessened, but be increased.

Mr. Woll, in the same statement, with which I heartily agree, urged the enlargement of our domestic purchasing power and of increasing and protecting our home markets. On this point he said:

As against all these urgencies for increased export trade, reciprocal trade treaties, and other devices to that end, America's wage earners raise the more important issue of enlarging our domestic purchasing power and of increasing and protecting our home markets.

Government statistics clearly indicate more than 92 percent of the products of American labor and American agriculture are consumed in America. While this is an average figure of all commodities and include such important commodities as cotton, which is widely exported, it does indicate how great a domestic market we have in our own free-trade area. This great American consumption of American goods is largely due to the high standards of life and work which prevail in our country and have been established in the main through the untiring efforts of American organized labor. Our present problem is, rather, that of extending this home consuming power, in view of the constant losses which our producers of cotton, wheat, lumber, and other products have suffered and will increasingly suffer in the world markets by reason of a constantly growing competition from other nations.

Mr. Chairman, while I am in favor of reciprocal tariff agreements such as were contemplated under the McKinley and Dingley tariff laws which would not be disadvantageous to our domestic market but upon terms representing true reciprocity, I am unalterably opposed to opening our markets to foreign-made goods by bartering away our American industry.

What we need, in my judgment, is restoration of confidence by removing the uncertainty surrounding our currency; by taking business out of the strait-jacket into which it is encased; by true economy; by stopping profligate expenditures; and by balancing the National Budget.

I am too much wedded to our American home market to stand by and see it destroyed by the invasion of products from the Old World, even though it were possible to restore our export trade by opening wide our doors to foreign-made goods.

I am opposed to any discrimination in this onslaught upon our home producers. The depression through which we have gone and are still going, despite all the proposed remedies of the new deal, was not caused by the present tariff law so bitterly condemned by our Democratic friends, but which they have not had the courage to change; that law has stood as a bulwark against more aggravated depression by protecting our industries and the labor employed by them and from ravishment and destruction by an influx of foreign-made goods seeking the best market in the world. We could not continue to produce from foreigners if foreigners are to produce for us. We must not at this time seek foreign markets at the expense of American consumers, nor yield our markets to foreign goods at the expense of the American wage earner. American wages is the hub of the tariff question from the American viewpoint.

The question is one of wages, reduction of wages, or no wages, and it matters little what cause contributed to their present level. Such causes could create but they could not maintain in the face of foreign invasion. In mistaken zeal for export trade we must not lose sight of the fundamental question of wages and the standard of living in this country.

Again I agree with Mr. Matthew Woll, representing the American Federation of Labor, when he said in the statement to which I referred a moment ago:

Is it possible that those who favor entering into reciprocal tariff treaties with foreign nations expect that those nations, where weekly hours exceeding 50 and 60 per week are not uncommon, are going to permit Americans to dictate to them what legislation or laws they shall enact for their people?

Unless this can be done, is it reasonable to suppose the products of American industries, with America's industrial workers producing for not more than 30 or 35 or even 40 hours per week, with wages which will permit of their retaining the American standards of living, can compete in the American market with products of foreign countries?

Unless it is intended to scrap the N.I.R.A. and force America's industrial workers to compete on an almost equal footing with the low-wage workers of Europe and Asia, there is no possible benefit to accrue from the fundamental change of government and new tariff policy proposed and involved.

Mr. Chairman, a favorite shibboleth of the Democratic Party throughout its vacillating history on the tariff question, one and the only one to which they have consistently adhered, is, "Capture the markets of the world." If they want to capture the world markets, why do they not have the courage to tell us openly and honestly how they propose to do it? Why this secrecy? Are you ashamed of your program?

When I recall the words of that distinguished statesman, the former Speaker of the House, Thomas B. Reed, and his homely illustration of Aesop's fable of the dog who lost his succulent shoulder of mutton by glibly jumping for the reflection in the stream, the question then, as now, was whether the tariff be lowered in order to open the markets of the world to American products.

The markets of the world—

Said Mr. Reed—

how broad and cold these words are. They stretch from the frozen regions of the North Pole across the blazing Tropics, to the high-bound shores of the Antarctic Continent—all this we can have if we will but give up the little handbreadth called the United States of America.

To hear these rhetoricians declaim you would imagine the markets of the world a vast vacuum waiting till now for American goods to break through, rush in, and fill the yawning void.

The dog in Aesop's Fables—

Mr. Reed said—

trotted along and looked over the side of the brink and he saw the markets of the world and dived for them. A minute after he was crawling up the bank the wettest, the sickest, the nastiest, and most muttonless dog that ever swam ashore.

Mr. Chairman, wherein would the American workingman advantage if we gain the world markets and he loses his job? We who believe in the principle of protection welcome discussion of the tariff question at any time, but the country expected that after the unbridled and vociferous maledictions and condemnation heaped upon the Hawley-Smoot Act by our Democratic friends in the last campaign, charging it with being responsible for the depression, there would at least be some attempt on their part when in control of the Government as they are now, to revise the rates of duty in that act in accordance with their widely proclaimed intention so to do.

When we asked you in the Seventy-second Congress why you did not act, you told us the reason you did not present your tariff program was because of a Republican President and it would not get anywhere. What is your excuse now? You have undisputed control of both branches of Congress and your own President, who sees eye to eye with you on

the tariff. You do not have the courage in the face of the coming elections to tell the people of this country what the articles are on which you propose to reduce the tariff. The only thing you have the courage to say now is, "Let George do it."

And instead of applying yourselves to that task as you had solemnly promised in your platform and in your speeches on the stump, the only interest you have displayed in the subject has been two bills—the one in the last Congress to which I have referred, restoring to Congress its power to legislate on the subject of the tariff, and the other the pending bill, neither of which changed or proposes to change any tariff rate by Congress itself.

It is obvious, therefore, that the reckless denunciation of the Hawley-Smoot Tariff Act was mere vaporous hypocrisy. The distinguished Speaker of the House, Mr. RAINEY, replying to the taunts that his party had failed to carry out their threat or to fulfill their promise to reduce tariff rates, replied, dramatically:

> Lower this tariff drastically? You (Republicans) will not do it, and we (Democrats) do not dare to do it with conditions as they are. We do not want this market flooded with products of cheap labor in other countries.

What Speaker RAINEY so well said at that time we Republicans say now. We do not want this country flooded with cheap, foreign-made goods. Whether tariff rates be reduced by Congress or by dictum of the President, we will not sell our birthright—the American market—for a foreign mess of pottage.

Mr. Chairman, in this bill sent here by the President a supine, spineless, sycophantic Congress is commanded to surrender absolutely to one man—the President of the United States—without let or hindrance, the sole power, arbitrarily to make tariff rates. I repeat that no such astounding and amazing grant of power ever before was requested, suggested, or dreamed of in all of our history and political philosophy.

It constitutes an affront to the Congress, the peoples' chosen representatives, and is an invitation to them to violate their oath of office which each man here has taken to support and defend the Constitution.

It is an insult to our intelligence and a brazen, arrogant, and presumptuous assault upon a constitutional power which alone resides in the Congress of the United States; and no exigency, real or fancied, nor can any plea of emergency condone, justify, or mitigate its evil purposes and consequences.

It is proposed not only to rob the Senate of its constitutional prerogative to ratify treaties, but it also takes away from the Congress its authority to raise revenue, for it has been recognized that in the making of tariff treaties the House of Representatives, where revenue bills must originate, has coequal power with the Senate. This power belongs to the Senate and House of Representatives jointly to authorize negotiations of tariff treaties; and to the Senate alone to ratify such treaties; and this power cannot be taken away except by due constitutional process of amendment to the Constitution. Neither can it be superseded even on the plea of emergency.

In this connection I am pleased to quote the words of the distinguished Senator from Idaho [Mr. BORAH]. Said he in discussing the proposed emergency clause of the so-called "Black bill":

> A constitutional government such as we have is the expression of the will of the people crystallized into the Constitution; and no power can change or suspend it except the power which makes it, and that is the people of the United States. It is the difference between a government of law and a government of men; between that of a republic, a democracy, and that of a dictatorship. Such a doctrine leads directly to anarchy or despotism, but the theory of necessity on which it is based is false; for the government, within the Constitution, has all the powers granted to it, which are necessary to preserve its existence.
>
> No power exists anywhere, in the Congress or in the courts, or in any body which Congress can create, to change the Constitution, either by suspension or otherwise, * * * not for 1 hour. If for 1 hour, it could be for 1 or 10 years. If for a day, it might be for 4 years, as in Germany, where all constitutional government, all forms of a republic, have been made to give way to a dictatorship.

Mr. Chairman, I think it is agreed that Alexander Hamilton was in favor of a strong central government. It is a popular, although fallacous, idea that Hamilton, if he could have had his way, preferred a military form of government with a strong iron hand at the head. Be that as it may, he was jealous in his advocacy for the adoption of the Constitution as written in the convention. Among the great arguments for its adoption which he set forth in the Federalist Papers is one on the treaty-making power of the Executive, which should arrest our attention and careful thought at this time.

Hamilton wrote:

> The President is to have power "by and with the advice and consent of the Senate to make treaties, provided two thirds of the Senators present concur."
>
> However proper or safe it may be in governments where the executive magistrate is a hereditary monarch to commit to him the entire power to make treaties, it would be utterly unsafe and improper to intrust that power to an elective magistrate for 4 years' duration. * * * An ambitious man might make his own aggrandizement, by the aid of a foreign power, the price of his treachery to his constituents. The history of human conduct does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind as those which concern its intercourse with the rest of the world to the sole disposal of a magistrate created and circumstanced as would be a President of the United States.

Is the Congress, having become accustomed to the transfer of its constitutional powers to the Chief Magistrate, abjectly to complete the job, empty itself of all power and surrender complete obeisance to the President? The answer to this question may be found in a succession of acts since March 4, 1933, by which Congress, little by little, abdicated its powers and conferred them upon the Executive. This legislative Caesarian food of questionable constitutionality has whetted the appetite of the President for more and greater powers until in the pending monstrous proposition we have the culmination of one assault after another upon the vitals of our republican form of government. This is not a partisan view of the proposed encroachment. It is shared in by thinking men and women of this Republic who hold dear our constitutional form of government.

Listen to what a distinguished Democratic Senator from North Carolina, Senator BAILEY, had to say upon this subject:

> The Republic is not going by arms. * * * She is not going by sedition and conspiracy. This Republic will go when American liberty goes, in every step we take, giving way here and giving way there, negativing personal liberty, almost unawares—here and here, there and there, forgetting the great traditions of the past that ought to guide us, forgetting the great standards by means of which the Republic has ever lived and must live, forgetting the spiritual fountains that have made her the source of light and life for 144 years. When we forget, when we cease to exercise vigilance, we begin to see the Republic taking a transformation and losing a character which amounts to more than revolution.

Yet and still, this patriotic appeal, this wise Democratic admonition goes unheeded, and however much or blandly the President's subservient apologists may disclaim his desire for a dictatorship, there is evidence in this latest proposed surrender to him that we are rushing headlong toward absolutism. Already you have placed in his hands the destiny of American industry, American labor, and American agriculture, and the welfare of 125,000,000 subjects in the domestic field, and now he asks or commands that you grant him unbridled, unrestrained power in the domain of international commerce to determine rates of duty—which he calls a tax—on the imports of foreign goods into the American market in competition with the products of American labor and of the American farmer.

With this power the question of international debts is so closely interwoven, that the President will tell you later, that to accomplish my full purpose—to fully support my position—you must grant me the further power to settle international debts. And if Congress is as supine then as you are now, it will not have the courage to refuse.

Every American citizen ought to stand aghast at such a proposal, and their representatives in the Congress of the United States ought to respond to the President's demand for

omnipotency by an emphatic "no" that will reecho throughout the bounds of this Republic and awaken its citizens to the sense of their insecurity and to the imminent destruction of their constitutional liberties.

It is high time, Mr. Chairman, that the American people exercise vigilance and hold fast to their form of government before it is altogether too late. [Applause.]

Mr. TREADWAY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, much has been said in regard to this tariff question, and if I were to talk all the afternoon, probably, I would not say anything particularly new.

We have heard these arguments throughout the years. It occurs to me that in one sense of the word the measure before us is not a tariff measure. It is a delegation of power to fix tariffs to the President of the United States. So that we are not dealing with a tariff measure, in the sense of fixing rates, but on the other hand, it is the most far-reaching tariff measure ever before any Congress, because of the power which it gives the President.

If the time had come when I believed the Congress should delegate this power, I still would be opposed to delegating the power to this particular administration, and my reason for this can best be illustrated in the following manner: If I had a child that I was not able to raise in my own home, in seeking a place for this child I would seek out a home that loved children, that had at heart their welfare and wanted to bring them forward as good citizens. I would not seek a home where they did not care for children and thought there were too many children in the world already. This illustrates the reason I would not delegate this authority to this particular administration.

The President of the United States is listening to the "brain trust." He is listening to professors in respect to this matter. These men are opposed to protection for any industry. I want to call your attention to just one little bit of testimony taken before the Committee on Agriculture. Mr. Weaver, one of these professors from the Agriculture Department, was before that committee and he said, in talking about the sugar bill, that it is the policy of the administration to eliminate the industry before it gets any bigger, and Mr. Tugwell, who followed him, was asked whether or not he approved and whether or not that was the attitude of the Department of Agriculture. Mr. Tugwell, referring to Mr. Weaver, said:

> I think he believes that no industry is entitled to support by tariffs, and I may say, personally, that I agree with him. I see no reason why it should be.

I am not willing to trust the tariff-making power of this country to an administration that has no sympathy whatever with the protective tariff under which we have lived in this country.

The sugar bill, to which I have referred for the last few days, has apparently been shelved and I am wondering if this is because of the fact that if the pending bill is enacted, then the administration can do all that it had intended to do to the sugar industry by and under and by virtue of that law, and will not need the enactment of the sugar bill which has been before the Committee on Agriculture.

This pending measure gives authority to the President of the United States overnight the power to summarily reduce tariffs 50 percent without any hearing before any commission and without consultation with anybody. In other words, he can deal with this question just as he dealt with the air-mail contracts, and I am going to venture the assertion that there has not been any action of this administration that has caused the straight-thinking business people of the country to lose confidence in it more than has the canceling of all air-mail contracts without a hearing involving as it does the welfare of thousands of our citizens. The people are waiting, and not any too patiently, an opportunity to express their disapproval of any further delegation of power that belongs to this Congress to the President of the United States. Pass this bill and you give to Professor Tugwell and others that much more of a free hand to put into effect in this country their doctrines of socialism and communism.

I represent largely an agricultural district. I have been unable to figure out where, by any trade agreements that this bill authorizes the President to enter into, any benefit can come to agriculture. In other words, the products that would come in here would no doubt be the raw products that would more or less compete with agricultural products and we would send out manufactured articles and the farmer would be the sufferer under such legislation. [Applause.] I am unwilling to commit the authority to fix tariff rates into the hands of the traditional enemies of the protective tariff.

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Chairman, the pending bill, H.R. 8687, reported to the House by the Ways and Means Committee, is in response to a message of the President of the United States sent to Congress on March 2, 1934, and is a most important administration measure.

On this bill, as has been the case on previous tariff measures, the two great political parties of this country are definitely divided. That was to be expected, because that is in keeping with the history and traditions of these great parties in this Nation. The 25 members of the Ways and Means Committee divided exactly along party lines. The 15 majority members voted for the measure and the 10 minority members voted against it.

In approaching the discussion of this subject it is important that we bear in mind conditions which makes such legislation necessary. A few days more than a year ago the Democratic Party assumed control of the affairs of this Government of ours after the Republican Party had been in control of the affairs of our Nation for 12 years.

Without entering into any discussion as to the reasons, or without attempting to assign the causes, it might be well for us to remind ourselves in passing of some conditions that existed in this Nation of ours at that time.

The industry of this Nation was paralyzed, the wheels of commerce were ceasing to turn, and agriculture was bleeding at every pore. The American farmers were receiving the lowest prices for their commodities than had been received in the recorded history of our Nation.

From twelve to fifteen million of American citizens were anxiously walking the streets and highways of this land vainly seeking an opportunity to work and make a living for themselves and their families. At the very hour when the newly elected President of the Nation stood before this Capitol to take the oath of office the banks of practically all the States of the Union were closed. The business of this Nation was paralyzed, and we were in the worst economic condition we have ever found ourselves in the history of the country.

Now, with that situation existing throughout the length and breadth of this country, this great President of ours, who had been chosen as the leader of the American people, came forward with a recovery program. He reminded the Congress of the necessary enactment of certain legislation which was designed and intended to improve conditions and effectuate recovery in the affairs of this country of ours and in the affairs of the American people.

During the last year legislation has been passed as a part of this recovery program, which conferred on the President of the United States certain broad discretionary authority insofar as the domestic affairs of this country are concerned. The passing of these various measures conferred on the President broad discretionary authority with reference to the internal or domestic affairs of the people of this country.

The pending bill simply goes one step further in this recovery program and confers upon the President of the United States the same type of broad discretionary authority insofar as our international trade relations are concerned. That is the purpose of this bill and is exactly what it does.

It might be well for us to remind ourselves of some of the conditions that exist in this and other countries of the

world as we determine the question of the feasibility of enacting legislation of this type.

Let us for a moment think of the world-trade conditions. During recent years the world has been experiencing a period of acute economic distress and suffering.

The President, addressing the Congress, speaking of the decline of world trade, had this to say:

Measured in terms of the volume of goods in 1933, it has been reduced to approximately 70 percent of the 1929 volume. Measured in terms of dollars, it has fallen to 35 percent.

Then the Secretary of State, appearing before the Committee on Ways and Means when this bill was under consideration, made this statement:

According to reliable estimates, if world trade had gone forward with the annual ratio of gain existing before the war, the nations during the intervening years would have had some $275,000,000,000 more than they have actually enjoyed; and according to these estimates, if world trade had thus progressed, there would be today an annual international commerce of nearly $50,000,000,000 instead of the pitiable figure of less than $12,000,000,000 for 1933. International trade has steadily grown less each year since 1929. The reduction of international trade in the amount of $40,000,000,000 means a reduction of the world production by $40,000,000,000, and this means a reduction in consumption of a like amount, and this means correspondingly low standards of living.

That was the expression of the Secretary of State as he appeared before the committee giving us an idea of the world economic conditions as they exist today.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. Yes.

Mr. CULKIN. The Secretary of State is, of course, a very distinguished and charming and able gentleman.

Mr. COOPER of Tennessee. The gentleman cannot too highly compliment the Secretary of State, as far as I am concerned.

Mr. CULKIN. He served here in the House, and at that time, as I recall him, he was distinctly an avowed free trader. He did not believe in any tariff.

Mr. COOPER of Tennessee. I seriously doubt whether the distinguished gentleman from New York has a right to so characterize the Secretary of State.

Mr. CULKIN. That is the way I construed his attitude. The gentleman from Tennessee is making a most delightful speech, and I dislike to interrupt him, but what I am interested in is how we are going to deal with a case like that of Japan under the favored-nation clause. In Japan men get as little as 12 cents a day and women 7 cents a day. How is the gentleman going to handle a situation like that under this proposed measure?

Mr. COOPER of Tennessee. The gentleman compliments me. I am not going to execute this law. If I should have that duty assigned to me, I would certainly make a most careful investigation into all existing conditions and circumstances, and if I had the opportunity to meet Japan across the table, I would try to make the best possible trade I could for the people of this country, and I have no doubt that that is what the President of the United States will do under the authority of this measure.

Mr. CULKIN. Then I assume the gentleman would favor the Japanese workman getting more pay?

Mr. COOPER of Tennessee. I would be delighted to see them get more pay.

Mr. SAMUEL B. HILL. If the United States should be unable to negotiate a reciprocal trade agreement of advantage to us, certainly we would not in that case be in any worse condition than we are now.

Mr. COOPER of Tennessee. It should always be borne in mind that the President of the United States representing the whole people of the United States, and who enjoys as great a degree of confidence of the people of this country as has ever been enjoyed by any man, when he sits down at the table with the representative of another country, will endeavor to do the best he can for the people of this country. It is not within the realms of probability that he is going to forget the welfare and interest of the American people. Furthermore, as suggested by the gentleman from Washington [Mr. SAMUEL B. HILL], unless the type and kind of trade agreement that does impress him as being to the interest and advantage of the people of this country can be made, he simply does not have to trade at all.

Mr. CULKIN. Mr. Chairman, will the gentleman yield for a brief question?

Mr. COOPER of Tennessee. Yes.

Mr. CULKIN. The gentleman has noted the suggestion of the administration or some of the gentlemen in the administration of the Agricultural Department urging a reduction in the production of beet sugar in America. I assume that the gentleman is in favor of that?

Mr. COOPER of Tennessee. No; the distinguished gentleman from New York is not undertaking to quote me on the beet-sugar industry because I have given no utterance on the subject.

Mr. CULKIN. Is it not a fact that these tariff negotiations must result in that sort of bargaining?

Mr. COOPER of Tennessee. Not at all. I have heard some statements made here during the course of this debate upon what different officials of the Government may have said on the beet-sugar question and other questions, but it is rather significant to me to note that none of those who, in all probability, will have charge of the administration of this measure have been quoted in that connection. Of course, these trade agreements are to be negotiated by the President of the United States. Naturally international affairs are conducted through the State Department. Somebody has quoted some third or fourth or fifth assistant or some other subordinate in the Agricultural Department. There is nothing here to indicate that he would have any voice in these affairs at all. I commend to the distinguished gentleman from New York [Mr. CULKIN] the statement of the Secretary of Agriculture himself when he appeared before the committee. He said, in substance, as I now recall it: "I say now, as I have on all other occasions, so far as the sugar question is concerned, that I do not think our production of cane and beet sugar should be further expanded in this country"; and that is as far as he went, and he stated that that is as far as he has gone at any time.

As one who tried to place a fair construction on the statements of the Secretary of Agriculture, Mr. Wallace, and every other witness who appeared before the Committee on Ways and Means, I say to the gentleman that I got no impression that the Secretary of Agriculture had in mind to do any such things or attempt to do any such things as gentlemen on the floor here have indicated they are fearful he might do.

Mr. CULKIN. Will the gentleman yield further?

Mr. COOPER of Tennessee. Briefly, if you please.

Mr. CULKIN. The gentleman states that the negotiation of these tariff treaties will be in the hands of the Secretary of State?

Mr. COOPER of Tennessee. I said to the gentleman that, of course, international relations are, in the very nature of things, primarily the functions of the State Department.

Mr. CULKIN. And it involves very difficult and intricate negotiation. The President, of course, could not do that individually; but what I wish to ask the gentleman is, if it is not a fact that the difference between Professor Moley, the distinguished editor of Today, and the present distinguished Secretary of State lies in the fact that Professor Moley was for a vigorous nationalism and the present Secretary of State is for an internationalism; is that not true?

Mr. COOPER of Tennessee. The gentleman from New York has the same right to form his opinions as to what differences may have existed between those gentlemen as I have. I am not disposed to enter into any discussion of any differences that may have developed between the Secretary of State and the Assistant Secretary of State. That is a matter aside from this question.

Mr. WOODRUFF. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. WOODRUFF. I had not thought to interrupt the gentleman from Tennessee. I am very much interested in what he has to say, and I should not have interrupted him if he had not yielded to others. I want to ask the gentle-

man if he seriously believes that the President of the United States, with all the present duties of that office devolving upon him, will have time to personally negotiate treaties or make the investigations that are necessary if we are to enter into trade agreements upon a basis that will be equitable to the people of the United States.

Mr. COOPER of Tennessee. I submit to my distinguished colleague from Michigan that the bill itself speaks on that point in the language contained on page 2, as he well knows, for I recall that he asked the same question many times during the hearings. On page 2, lines 9 and 10:

The President, whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States—

And so forth.

The language of this act is what you and I have to vote on. The provisions of the bill itself are what we answer "yea" or "nay" on when the Clerk calls our names. That is what the bill provides. I have no doubt that the President of the United States will faithfully perform the trust that is imposed in him by the Congress of the United States.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. FITZPATRICK. And the gentleman is not afraid that the President of the United States will make any trade or agreement that will be detrimental to the people of this country?

Mr. COOPER of Tennessee. Not at all; no, sir; and I hope to touch upon that point in a few moments, if I may use a little of my time.

Mr. WOODRUFF. Will the gentleman yield for one further question, and then I will not ask him to yield further, unless he expresses a desire to be very generous to other Members in yielding. I want to ask my friend if this bill, along with the other powers which it extends to the President, will create additional time at the disposal of the President of the United States in which he may give proper consideration to the great duties devolving upon him under the provisions of the bill?

Mr. COOPER of Tennessee. I respectfully submit to the distinguished gentleman from Michigan that the answer I have endeavored to give him is a fair answer to that question and includes the question which he has very kindly submitted to me.

Mr. FORD. May I answer that question for the gentleman?

Mr. COOPER of Tennessee. I yield.

Mr. FORD. Who thought that the President of the United States would be called upon to settle the automobile trouble in this country, and that he would be able to find time for that? Who has the temerity to say that he did not do a good job of it? [Applause.]

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. COOPER of Tennessee. I will yield to the gentleman from Minnesota, and then I must decline to yield further.

Mr. CHRISTIANSON. I am asking this question, not to embarrass the gentleman but to get some information that will enable me to act intelligently upon this bill. I am worried about the effect of the so-called "favored-nation" treaties.

Suppose, for instance, the President should find it desirable to make a treaty with Sweden, which manufactures matches, permitting the exchange of American commodities, say, wheat for matches, upon a reciprocal basis? Japan, I understand, has a treaty containing the favored-nations clause. Would the entering into of a treaty with Sweden automatically authorize or permit Japan to enjoy the same privilege that we give to Sweden under the operation of the favored-nation clauses?

Mr. COOPER of Tennessee. I assume my distinguished colleague understands the operation of the favored-nation treaties.

Mr. CHRISTIANSON. If I understood that fully, I would not have asked the question.

Mr. COOPER of Tennessee. I may not be able to fully answer the gentleman in the time I have, but my conception of it is that when different nations enter into those treaties with the so-called "favored-nation" clause in the treaty—and I might say that we have 48 of that type treaties now—it simply means that a provision is contained therein to the effect that if you accord certain treatment to other nations you are bound to accord similar treatment to me as one of the nations having negotiated a favored-nation treaty with you.

Mr. CHRISTIANSON. So, if we accorded to Sweden the privilege of exporting matches to the United States with a reduction of 50 percent in the duty upon those matches, automatically the duty upon matches from Japan would be reduced 50 percent also, despite the fact that, of course, Japanese laborers receive very much less pay than the laborers in Sweden?

Mr. COOPER of Tennessee. Of course, our distinguished colleague may apply the interpretation which I have endeavored to give him, as I understood it, to any condition existing in the nations of the world.

Mr. SAMUEL B. HILL. I know the gentleman will not have time to answer all of these questions in detail, and I commend the gentleman from Minnesota that he take the hearings at page 365 and following pages, where the Assistant Secretary of State went into that question and explained it rather fully.

Mr. COOPER of Tennessee. I thank the gentleman from Washington.

Mr. Chairman, as I was endeavoring to touch briefly upon the situation of world-trade conditions at the time I was interrupted by these various questions, I should like to return for the moment to that subject in order that we may have very definitely in mind some of the conditions existing throughout the world that impressed me at least with the importance of this country giving consideration to these conditions, and especially as they apply to the trade of this country.

The total exports of the United States fell from $5,241,000,000 in 1929 to $1,675,000,000 in 1933, while the imports fell from $4,399,000,000 in 1929 to $1,449,000,000 in 1933. The decline in American commerce has steadily continued.

The point is that in this great shrinkage of world trade we are not only losing in the same proportion as other nations of the world but we are losing at a greater rate than the other countries of the world. Many of the markets we are now losing, of course, are being taken by other countries of the world. Under our present arrangement and under conditions as they now exist, we have not been able to hold our own in world trade affairs.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I would prefer not to yield unless it is for a question along this particular line.

Mr. WOODRUFF. The question I wish to ask is on this particular point. In the gentleman's opinion what effect does the increased cost of production in this country have on the diminution of our foreign trade, which trade we are losing to countries having lower costs of production? In other words, the cost of products manufactured in France is more nearly on a par with the cost of products manufactured in Italy than is the cost of products manufactured in the United States, because of our high wage scale, high cost of living, and our high standard of living. Does not the gentleman feel that one reason for the higher cost of our products is our standard of living, and does this not have some effect upon international trade?

Mr. COOPER of Tennessee. I say to the gentleman very frankly that I have no doubt the points mentioned by him enter into the picture and have some bearing on it, of course, but I do not think they are the controlling elements by any means. Many phases of the matter must be taken into consideration.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. SAMUEL B. HILL. The increased cost of production under the N.R.A. is offset almost equally by the depreciation of the dollar.

Mr. COOPER of Tennessee. Of course, that is true. The question of the value of the dollar and other matters related to it naturally enter into a consideration of this whole subject.

Now, passing for a moment, if I may, to the question of our diminished share of this world trade, I shall call attention briefly to a few figures that indicate the true situation on this point.

The American share of the import trade of the world in 1929 amounted to 12.19 percent; and our share of the export trade of the world in that same year amounted to 15.61 percent. In 1932 the American share had fallen to 9.58 percent of the imports of the world, and to 12.39 percent of the exports.

In other words, whereas in 1929 the United States enjoyed 13.83 percent of the total world trade, in 1932 its share had fallen to 10.92 percent.

This reflects the situation that exists today insofar as the international trade affairs of our country are concerned.

One very important thing for us to bear in mind is the ever-increasing tendency of the other nations of the world to equip themselves with the necessary machinery to meet quickly the changing trade conditions of the world. They are resorting to all types of devices and what might be characterized as schemes to hold their own in this competition for international trade, and we are simply to be left behind because under our system we are not equipped with the necessary machinery to keep pace with the others in this competition for international trade.

The Secretary of State, I now recall, told the committee that of the 65 countries of the world practically all have some form of trade barriers. The practice of erecting trade barriers is continuing and increasing all the time.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Tennessee.

Mr. COOPER of Tennessee. I also recall that during the hearings it was shown to your committee that some 68 or 69 tariff-quota agreements have been made by European countries since January of last year, showing the ever-increasing tendency of these other countries of the world to enter into trade agreements and quotas and arrangements among themselves and constantly to erect trade barriers. Thus we find it difficult to undertake international trade with them.

Reference has been made several times to different countries that may have something to export to us. As I endeavored to point out a few moments ago, I have no doubt at all that the President of the United States is going to consider the interest of all the American people and of the industries of this country when these trade agreements are negotiated and entered into.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Tennessee. I yield.

Mr. TREADWAY. Admitting the interest, of course, of the President in protecting American industries, will the gentleman not be good enough to point out to us what particular articles he considers will be used to increase our importations?

Mr. COOPER of Tennessee. I say to our distinguished colleague from Massachusetts that I am not prepared at the moment to do that. I would not do it if I had the information. I do not think it is a sound business principle to send the person with whom you expect to make a trade advance information on the points you have in mind. [Applause.] That is just the common-sense viewpoint.

Mr. TREADWAY. I think the gentleman's answer is as explicit and as plain as was made by any person advocating the passage of this bill before the committee. In other words, will not the gentleman admit that he is not willing to confide to the American people in what lines the importations will be increased under the proposed bill?

Mr. COOPER of Tennessee. I do not think the information is at present available; and, as I said a moment ago, even if it were available, it would be the height of folly and entirely out of keeping with the sound Yankee trading principles of the distinguished gentleman from Massachusetts to give out his thunder and trading material before he meets the other man in the trade and finds out what he may have.

Mr. TREADWAY. May I suggest to the gentleman that the distinguished Assistant Secretary of State in advocating the measure unconsciously admitted one day that foreign countries had approached the State Department with certain suggestions. What is the gentleman's idea? If those suggestions are in the hands of the State Department, why should they not be in the hands of the Congress?

Mr. COOPER of Tennessee. I am sure the distinguished gentleman, upon reflection, will realize that question hardly does him credit.

Mr. TREADWAY. I may say to the gentleman that I have reflected on it so long that I am thoroughly convinced of the merit of the question and the undesirability from the standpoint of the Democrats of answering the question.

Mr. COOPER of Tennessee. Of course, I am sure the gentleman will readily appreciate that, even if the State Department has been approached, as the Assistant Secretary stated, and I have no doubt they have, they cannot come here and state the whole proposal and put out all the details and information in reference to the negotiations that they expect to enter into through diplomatic relations. The question hardly does the author the credit to which I think he is entitled.

The distinguished gentleman from New York made reference during the course of his remarks—and I have never seen the gentleman labor harder on any subject than he did on the speech he made here today—to one item he claimed he had gleaned from the hearings held on this bill. This was with reference to toys. He made some remark as to the proposition that this country might export quantities of lard and hog products, as well as agricultural products, to Germany in exchange for toys. I just took occasion hurriedly to look up the situation with reference to the importation of toys, which seemed to alarm him so much in connection with this bill. The latest figures I was able to secure for the year 1931 showed domestic production of toys in 1931 to be $68,307,000. The imports in 1933 of dolls, toys, and parts amounted to $2,225,000, or 3 percent. This 3-percent importation of that commodity is disturbing and scaring the gentleman to death. Similar figures might be cited as to many other points that seem to be disturbing some of the gentlemen on the minority side who are opposed to this measure.

As was shown during the hearings on this bill, there are 29 separate countries each of which is the principal source of supply of commodities to the United States. These countries also furnish a market for 85 percent of our exports. With this kind of a situation existing so far as concerns 29 countries of the world, the principal sources of supply for leading commodities that this country imports, and at the same time furnishing a market for 85 percent of our exports, certainly it is within the range of possibility that we may sit down at a table with representatives of countries of that kind and be able to do some business that would be very definitely in the interests of agriculture and the business of this country. According to the figures given by the Secretary of Agriculture when he appeared before the Ways and Means Committee, we are exporting some 55 or 60 percent of our cotton, some 20 percent of our wheat, and some 40 percent of our tobacco, as I recall the figures now, about half of our packing-house lard and exporting considerable quantities of many other agricultural products. With these ever-shrinking foreign markets, what is going to become of the agriculture of this country? What is going to become of affairs in this country when the purchasing power of agriculture shrinks even further? It is of the highest importance that we negotiate these trade agreements with other countries of the world to the end that we may sit down at the table with them and in a spirit of

friendliness which should prevail between the nations of the world as it should between individuals, say to them: "Now, here, we have certain products in this country of ours that you need. You have to import them. You have to get them from somewhere in the world outside of your own country. You have certain things that we need and can use. Let us see if we cannot do some business on a simple, common-sense, American business basis." If we can, all very well and good. The President may enter into such trade agreements. If he cannot do it to the advantage of the American people he simply does not have to make the trade. He does not have to enter into the agreement.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COOPER of Tennessee. Mr. Chairman, I want to call attention especially to what impresses me as the principal objection raised to this bill by our distinguished colleagues on the left. This has been very properly termed a fear of what might happen. In this connection I simply invite attention to the expression of the President of the United States himself. We may theorize and generalize all we please, we may build up straw men to knock down. We may try to find something to scare ourselves, we may manufacture all kinds of objections and think up all types of things that might happen, but after all, as I pointed out a few moments ago, the very specific and definite language of this bill itself provides that the authority shall be vested in the President of the United States. It imposes upon him the responsibility and the duty of finding that these conditions exist before he can exercise the authority that is conferred under the provisions of this measure. I invite attention to the expression of the President in transmitting this subject-matter to Congress for consideration in his message of March 2, 1934. The pending bill is the result of this message. On page 2 of the message there is the following:

> The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

That is the expression of the President himself in his message on this subject.

As was indicated by the question of the distinguished gentleman from New York, I have no doubt that our great President will exercise this discretion in the interest of all the people of this country. I do not think there is anything to cause alarm in the record of that great patriot and statesman, that man who is giving his very life in the service of the people of this country and the service of the whole people of the Nation, whose confidence he enjoys to a greater extent than any other man, I think, in the history of the Nation, the greatest leader the Nation has seen for a half century or more. Certainly there is no American interest that has any reason to fear or feel disturbed about the exercise of discretion by that type of patriot and statesman who is in charge of the affairs of this great Government of ours. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, ladies, and gentlemen: For the past few days the House has had the privilege of listening to a very able discussion of the measure before us.

Members on the Democratic side have presented their theory with great candor and ability. On the Republican side our membership has rallied to the defense of the traditions of our party with great ability. I dare say few speeches have ever been made in this Congress that will surpass the speech made this afternoon by our distinguished floor leader, the gentleman from New York [Mr. SNELL].

This is a very important measure. I think we are at the parting of the ways with reference to party policy concerning the tariff. We are about to make an important decision here. If the Democrats pass this bill, which no doubt they will, they will find themselves diametrically opposed to the traditions of their party. They are, apparently, bound to follow their leader, the President, without regard to where he leads them. I have no desire to detract from his work in any way, but I want to say to you that, today, the Democratic Party is marching directly opposite to the position taken by Thomas Jefferson and its great leaders from Jefferson down to this day, especially the leaders for the past 75 years. I know that in their hearts a great many of the good Democrats agree with me in this respect.

I have the honor of following on the floor here today my good friend from Tennessee [Mr. COOPER], a distinguished member of the Ways and Means Committee, a fine, upstanding, young man; and if he stays in this Congress as long as his predecessor, Finis Garrett, his record will, no doubt, shine with that distinguished Tennessean and with the other Tennessean [Mr. BYRNS], who is now the floor leader of the Democrats.

However, my distinguished friend the gentleman from Tennessee [Mr. COOPER] gives his case away completely this afternoon. He states here that the President will sit down at a table and will discuss with the envoys of Japan and make his decision then. This is the whole crux of this bill. When the President makes this decision he will be levying a duty, he will be levying a tax, which, according to the Constitution, is absolutely within the province of the Congress and is not in any way within the province of the President. So I say to you that he refutes his own position entirely, as well as the position taken by the Democratic Party throughout the ages.

The gentleman from Tennessee says that the President of the United States will not do anything wrong. It is a great compliment to our theory of government, the greatest compliment anyone can pay us, that not from the days of George Washington down to today has any President ever sold out the country. None of our Presidents, Democratic or Republican, has ever been guilty wilfully of doing anything that he felt would react against his country, but a number of them have done things that were not for the best interests of the country. I am perfectly willing to admit that probably many Republican Presidents have done things that were not for the best interests of the country, and likewise I would have to assert that many Democrats have done things that were not for the best interests of the country. They were all honest, but they were not all right all the time. It is in that spirit I voice my opposition to this bill.

The burden of the song of every Democrat who has spoken on this measure has been that we need this legislation to encourage our imports. Let me give you a few figures that will completely answer this statement.

Every month since June of 1933, without exception, has shown an increase in our imports and exports over the like periods of the preceding year. If our imports and exports are increasing every month, why should we tamper with them by invoking a proposition we know nothing about? Why should we deviate from the time-honored policies of both parties, to keep within the province of the Congress the duties that the Constitution gives it? The following table will show the movements of imports and exports into and from America for the period since June 1933:

MERCHANDISE EXPORTS

[Based upon official Department of Commerce statistics]

(By months)

Month	Year			Percent increase
	1934	1933	1932	
July		144,109	106,830	
August		131,473	108,599	
September		160,119	132,037	
October		193,069	153,090	
November		184,256	138,834	
December		192,627	131,614	
January	172,000	120,589		
7 months, ending January	1,177,654	891,593		32

MERCHANDISE IMPORTS

[Based upon official Department of Commerce statistics]

(By months)

Month	Year			Percent increase
	1934	1933	1932	
July		142,980	79,421	
August		154,918	91,102	
September		146,643	98,411	
October		150,867	105,499	
November		128,541	104,468	
December		133,518	97,087	
January	129,000	96,006		
7 months, ending January	986,467	671,994		47

Unlike most tariff bills this bill is a short one. Reducing it to simple language and omitting nonessentials it could be expressed about as follows:

For the purpose of expanding foreign markets for the products of the United States, by regulating the admission of foreign goods into the United States, the President, whenever he finds that any existing duties or import restrictions are unduly burdening and restricting foreign trade, is authorized:

First. To enter into foreign trade agreements with foreign governments, and

Second. To proclaim such modification of existing duties as are required to carry out any such foreign agreement. But he cannot increase or decrease by more than 50 percent any existing rate, or transfer any article from the dutiable to the free list. Cuba is to be given preference on her exports. The President is given the right to suspend modifications of duties made by him to countries which accord discriminatory treatment to American commerce. The President may at any time terminate such modifications.

Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

By this bill Congress gives the President authority to enter into secret contracts with foreign nations with relation to tariffs. When the Constitution gives Congress certain powers it at the same time enjoins upon Congress the duty of assuming these powers. A surrender of these duties by Congress is a dereliction of its duty. The Constitution gives the President certain powers. When he assumes the powers given to another branch of the Government even though surrendered to him by such other branch because of its weakness, he is assuming powers not intended for him and the assumption of the same by him tends to weaken the Government. Our Government is strongest when each of the three divisions are capable of functioning completely and without surrender.

By this bill no time limit is provided for its termination. The language is ambiguous and uncertain. The last paragraph seeks to define a time for limitation, but to my mind this bill gives the President the right to use his discretion without much limitation either as to time or substance. By removing the required formula "difference in cost of production", the bill practically nullifies the whole law, for 50-percent limitation will then be uncertain.

In the advocacy of this measure we see a complete reversal of position by the leaders of the majority party from that expressed by them when the 1930 Tariff Act was under consideration in the House. At that time the flexible-tariff provision was adopted. Its constitutionality was assailed by the Democrats most vigorously. In that bill Congress designated specifically what could and could not be done, and the Executive was given specific authority. He was not given unlimited discretion. That bill provided that the President could alter the rates fixed by Congress when and if the Tariff Commission, after investigation as to the cost of production here and abroad, recommended certain changes in the rate. Under that bill the President had no power to do anything of his own volition. The powers given him were powers to do certain things when and if a fact-finding agency would find certain facts for him. If the Democrats strained at this surrender of power by the legislative branch to the President, it is difficult to reconcile their conduct then with their conduct now, when they rush to support and pass a bill giving the President unlimited power to bargain for tariff rates and to do so at his own discretion and secretly and without any accountability to anyone for what he might do.

In that connection, I want to discuss the line of argument of my friend from Tennessee. Ladies and gentlemen, there is one thing that has made American diplomacy distinctive. Our diplomacy differs from that of every other diplomacy in that ours has been open and aboveboard. The diplomacy of foreign countries has been secret, and in that system we have seen chicanery; in that we have seen deceit. If we ever come to the time and place when we must deal secretly, and without taking into our confidence the American people, it will be a colossal mistake. Talk about democracy! Talk about State rights! When this President has served his term out, his new deal will have wrecked the proud traditions of the Democratic Party and they will be walking by the still waters in solemn contemplation. This country is not yet ready for dictatorship and Russian socialism. Rugged individualism is safer than ragged socialism. Whether to be proud, free citizens or servile subjects is the question we must soon decide if we continue this course of surrender of legislative authority to satiate Executive thirst for power. Someone in the course of this debate suggests McKinley, the great protector of American industry, might have favored this legislation, and that this legislation is in line with the McKinley tariff bill. Let no one be deceived by this insinuation. McKinley, the representative of my State on the Ways and Means Committee, which assignment I have now the honor to hold, was great as a Governor of a great State, and great as President of our country, but his greatest service to America is seen in his efforts to enact legislation that brought the country out from under the Grover Cleveland depression. The McKinley tariff bill carried no dictatorial powers to the President.

No! McKinley's greatest accomplishment was not in his having been President. When the impartial historian writes the story of Major McKinley and his contributions to the welfare of his country he will say, although his record as a soldier was one of which any soldier might well be proud, and although his record as a Governor of a great State was an illustrious one, and although his record as a peace-time and a war-time President was equal to the best, still his work as the Chairman of the Ways and Means Committee of the House of Representatives in connection with tariff measures that bear his name was his greatest contribution to the welfare and growth of his country, for it contributed mightily toward making the United States the greatest nation in the world. [Applause.]

In determining whether one should support the measure, he can ask himself two questions?

First, Is it constitutional?

Second, Is it right as a policy?

A negative answer to either of these queries will be sufficient to call for a rejection of the bill. To favor this bill one must answer affirmatively both of these queries.

Is the bill constitutional? Does it provide for a surrender by Congress of its power "to lay and collect duties and imports" and "to regulate commerce with foreign nations", as provided in section 8 of article I of the Constitution?

As with probably every provision of the Constitution, courts through judicial decisions have run out every possible implication, so the courts have been called upon frequently to interpret the language above referred to. There is no question but that Congress can designate an agency to carry into execution its enactments. It can lay down the rule by which something is to be done, and this rule is thereby a part of the law. When such agencies perform according to that rule they are not enacting legislation but are executing legislation. The Congress is in effect authorizing and instructing such agency to perform in a certain way. But if

such agency attempted to use its own discretion in making or changing such rule it would be exceeding its authority, and even if Congress would attempt to give such agency the authority to change such rule its efforts would be null and void, for before such agency can have a right to legislate it must get it from a higher source than Congress. It must receive it from the Constitution, which is the same source from which Congress received its authority to legislate.

Before the President can legislate he must get the authority from some source. As yet the Constitution has not given him that authority, "the right to lay duties" and "to regulate commerce with foreign nations" is exclusively the power of Congress. Congress has no right to pass this authority on to someone else. If the makers of the Constitution wished that to be done, it is safe to assume that they would have said so.

Witnesses in behalf of the administration—for this is the administration's bill—at the hearings before the Ways and Means Committee set out in great detail their views as to the constitutionality of this bill, but through it all they have failed to draw the distinction between provisions granting the Executive the power to find facts, then apply them according to a prescribed rule, and provisions giving the Executive the power to enter into secret negotiations without any prescribed rule except the rule of his own arbitrary discretion. This bill seeks to give the Executive power which the Congress cannot give away and which the Executive has no right to receive. Of all State court decisions dealing with this subject probably the decision of Judge Ranney, of Ohio, is the most quoted. Judge Ranney is by many considered the John Marshall of the Ohio Supreme Court. In the case of *Railroad* v. *Commissioners* (1 Ohio Stat. 88) he says:

> The true distinction is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution to be exercised under and in pursuance of law. The first cannot be done; to the latter no valid objection can be made.

Probably the most decisive Federal decision on this subject is that found in *Field* v. *Clark* (143 U.S. 649). The court in that case says:

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. The act of October 1, 1890, in the particular case under consideration, is not inconsistent with that principle. It does not, in any real sense, invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries and exporting sugar, molasses, coffee, tea, and hides, Congress itself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles should be suspended as to any country producing and exporting them, that imposed exactions and duties on the agricultural and other products of the United States which the President deemed, that is, which he found to be reciprocally unequal and unreasonable, Congress itself prescribed in advance the duties to be levied, collected, and paid on sugar, molasses, coffee, tea, or hides produced by or exported from such designated country while the suspension lasted. Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. The words "he may deem" in the third section, of course, implied that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, and form a judgment as to whether they were reciprocally equal and reasonable, or the contrary, in their effect upon American products. But when he ascertained the fact that duties and exactions, reciprocally unequal and unreasonable, were imposed upon the agricultural or other products of the United States by a country producing and exporting sugar, molasses, coffee, tea, or hides, it became his duty to issue a proclamation declaring the suspension as to that country, which Congress had determined should occur. He had no discretion in the premises except in respect to the duration of the suspension so ordered. But that related only to the enforcement of the policy established by Congress. As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation, in obedience to the legislative will, he exercised the function of making laws. Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the law-making department to ascertain and declare the event upon which its expressed will was to take effect. It was a part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of sugar, molasses, coffee, tea, and hides from particular countries should be suspended in a given contingency and that in case of such suspensions certain duties should be imposed.

At this point I want to take up the cases cited a few minutes ago by the distinguished gentleman from Texas [Mr. SUMNERS]. I was very much pleased, and listened with a degree of interest to the gentleman from Texas, and I was interested in the strategy of the distinguished Chairman of the Ways and Means Committee in thrusting Mr. SUMNERS in at, perhaps, the most strategic position in the debate. Why did he do that? Because he knows the high standing the gentleman from Texas enjoys with the Membership on both sides of the aisle, not only in scholarship but as a real gentleman.

Mr. SUMNERS gave you the development of this question as it took its course through devious legislative enactments and through intricate court decisions.

I make this positive statement—and I think I have read all the leading decisions on this proposition—that in no decision anywhere has any court ever stated that the Congress of the United States has any right to delegate its power of legislation to any President or anyone else, and that the President of the United States has no right to fix tariff duties.

That runs through every decision from the first case under Washington. In that case the President was given no power to levy a tax or to levy a duty.

His powers were strictly powers of administration, and this is the case on down to the great case of *Field* v. *Clark* (143 U.S. 649) cited by the distinguished gentleman from Texas. Let me read to you what that decision is. Just as Mr. SUMNERS said, it is difficult to discuss these dry questions, because they involve intricate propositions of law, but here is some language in this decision that I think anybody can understand. He need not be a lawyer or a Congressman, because it is written out clearly. I quote:

> Congress itself prescribed in advance the duties to be levied. Nothing involving the expediency or the just operation of such legislation was left to the determination of the President.

The gentleman will note that it provides specifically in that case that nothing was left to the President to do except to follow the law laid down by Congress. Again I quote:

> The words "he may deem" in the third section implied that the President would examine the commercial regulations of other countries producing sugar, and when he ascertained the fact that duties and exactions reciprocally unequal and uneven were imposed on the agricultural or other products of the United States by a country exporting sugar, it became his duty to issue a proclamation declaring suspension as to that country.

His duty is laid down specifically as to what he must do when somebody else has made certain findings.

He had no discretion in the premises except with respect to the duration and suspension so ordered.

That is one thing that I should like to impress upon you. The President had no discretion with respect to anything except the time limit. That related only to the enforcement of a policy established by Congress.

Again I quote:

> As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation in obedience to legislative will, he exercised the functions of making laws.

There is no case—and I defy anybody to produce a decision from any court—upholding the constitutionality of any law that gives to the President the right to levy a tax. If he is given the right to levy a tax in this bill, what is he going to do about it? When he sits around the table with Japan, as my friend from Tennessee says, what is he going to do if he is not going to agree on a tax? And I say to you that that is the very thing that he has no right to do.

Mr. TREADWAY. If the gentleman will yield there, I shall be glad to yield him more time.

Mr. JENKINS of Ohio. Certainly, I am glad to yield so that the House may receive an important message from the Senate. I yield back the remainder of my time.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H.R. 8687) to amend the Tariff Act of 1930 and had come to no resolution thereon.

INDEPENDENT OFFICES APPROPRIATION BILL, 1935—MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference upon the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6663) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1935, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 14; agrees to the amendment of the House to the amendment of the Senate no. 22, with an amendment; and further insist upon its amendment no. 23 to said bill.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table and for consideration at this time the conference report upon the bill (H.R. 6663) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1935, and for other purposes, with Senate amendments thereto and consider the Senate amendments at this time.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take from the Speaker's table the bill H.R. 6663, with Senate amendments thereto and consider the same at this time. Is there objection?

Mr. CONNERY. Mr. Speaker, I reserve the right to object in order to ask the gentleman to yield to me for a statement.

Mr. WOODRUM. I should be very glad to give the gentleman some time if this consent is granted.

Mr. CONNERY. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Resolved, That the Senate agree to the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 6663) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1935, and for other purposes, no. 14, and agree to the amendment of the House of Representatives to the amendment of Senate no. 22 with an amendment as follows:

"In section 27 of said amendment strike out the second proviso.

"In section 28 of said amendment strike out the second proviso in the fourth paragraph of section 20 of Public Law No. 78, Seventy-third Congress, as amended by such section, and insert in lieu thereof the following:

"'*Provided further*, That subject to the limitations above prescribed, except as to receipt of compensation on March 19, 1933, and notwithstanding the provisions of Public Act No. 2, Seventy-third Congress, or any other law, veterans whose disease, injury, or disability is established on or after this paragraph as amended takes effect as service connected in accordance with the provisions of section 200 of the World War Veterans' Act, 1924, as amended, shall be entitled to receive compensation in accordance with the provisions of such act, as amended, and the rating schedule in effect on March 19, 1933; but veterans whose disease, injury, or disability is reestablished as service connected under such section 200 by section 27 of title III of the Independent Offices Appropriation Act, 1935, shall be paid 75 percent of the compensation under the provisions of the World War Veterans' Act, 1924, as amended and such rating schedule.'"

The Senate further insists on its amendment no. 23.

Mr. WOODRUM. Mr. Speaker, I move that the House concur in Senate amendment to the House amendment to the Senate amendment numbered 22, and on that I ask recognition.

Mr. Speaker, I shall take just as little time of the House as possible. The bill has been entirely disposed of, so far as the legislative body is concerned, with the exception of this brief Senate clarifying amendment to amendment numbered 22, which is the veterans' amendment, and the Senate insists on its disagreement to changing a section number, which of course was necessary in order to get that matter disposed of.

In order that the record may be perfectly clear, let me say that I did not vote for the House amendment to the Senate amendment respecting veterans for reasons that I have stated many times and I shall not elaborate upon them now. I merely say this in passing, that I believe this amendment to be contrary to the President's position on veterans' relief.

In the last Congress we gave the President very broad powers respecting veterans' payments. That the so-called "economy bill" was in some respects too drastic, all of us agree, and the President recognizing this fact, has since the economy bill, revised the regulations in more than 50 particulars, reinstating more than $117,000,000 annually of the benefits that were taken away by the act.

The revisions were made as and when it was shown that deserving cases were not being taken care of. The provisions of the present bill as it is about to be adopted is in direct conflict with the program of the President, and as approved by the last Congress. I think the bill should have gone to a free conference. Therefore, I did not vote for the House amendment.

I did not believe it was the best way to ultimately actually get further concessions for deserving veterans. With respect to that, I have not changed my mind, but when the House three times emphatically took its position on this matter, as your representative and as a conferee, I am very glad to be able to come back and say that the Senate has receded on both of these important amendments, and accepted the House provisions.

With respect to the pay-cut amendment, which, as you will recall, is the 5-and-5 proposition, 5 percent February 1 and 5 percent July 1, the Senate accepted that. The Senate very reluctantly accepted the House provision with reference to veterans, making this clarifying amendment, as they are pleased to call it, with respect to the presumptive cases. The language which they have inserted is simply this: You will recall that the so-called "Taber amendment" was the Steiwer-McCarran Senate amendment with merely little interlineations providing that, instead of the presumptive cases receiving complete restoration at 100 percent as provided in the Senate amendment, they should receive 75 percent. That amendment was naturally prepared hurriedly, and after the smoke of battle had cleared away and the legislative experts began to examine it, a question arose as to whether or not it might be possible, under a literal construction, to apply that 75-percent reduction to the direct service-connected cases, as well as the presumptive cases; and in order to avoid any such possible construction, this clarifying language was suggested.

Mr. BROWNING. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BROWNING. The only thing which the clarifying amendment of the Senate does is to guarantee there will be no reduction to those who had been left on, under the regulations now in force, and the only thing it does is to limit it entirely to the presumptive cases for the 75-percent maximum.

Mr. WOODRUM. That is exactly my understanding of it.

Mr. BROWNING. From the standpoint of the veteran the Senate amendment is very welcome. In fact, it improves the Taber amendment to some extent.

Mr. WOODRUM. I think it does.

Mr. BROWNING. I think it is entirely satisfactory.

Mr. WOODRUM. I hope very much it will be the pleasure of the House to accept this slight modification to our amendment, which will complete the action on this bill as far as the legislative branch of the body is concerned.

Mr. KVALE. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. KVALE. Knowing the gentleman as I do, I want to speak for many of my colleagues when I say I know the gentleman is very glad to be able to bring back this gener-

ous compromise and give the veterans as much as the bill does carry.

Mr. WOODRUM. Mr. Speaker, I reserve the balance of my time, and I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Speaker, first of all I wish to thank the Speaker of this House for his courtesy to me during the past hectic days of the discussion of veterans and Government employees' pay legislation in recognizing me to make the motions to concur in the Senate amendments; and, second, I wish to thank the gentleman from Virginia [Mr. WOODRUM] for the uniform courtesy he showed in yielding time to those of us who were trying to obtain concurrence in the Senate amendments for the veterans and Government employees. Both the Speaker and the gentleman from Virginia have been very fair.

UNDER THE PRESENT PARLIAMENTARY SITUATION

If I could see any advantage to the veterans or Government workers at this time in going along further with the fight to try to obtain concurrence in the Senate amendments, I would do so. I want to say that I have no regrets whatsoever for the fight that I carried on to try to obtain concurrence in the Senate amendments. I think the Senate amendments were amendments which would do justice to the underpaid Government employees and to the veterans not only of the World War but of the Spanish-American War. So I have no hesitancy in saying that at no time in the past, nor at the present, nor in the future do I expect to regret my course.

Mr. KVALE. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KVALE. I think the RECORD should show that if it had not been for the fight so gallantly waged by the gentleman from Massachusetts [Mr. CONNERY] and others who assisted him, the veterans today would not be getting the 75 percent which was set up as the wall beyond which we could not go in effecting this compromise. I think the RECORD should show that.

Mr. CONNERY. I thank my good friend from Minnesota. If the bill becomes a law, the benefits which the veterans will receive will certainly be due to the fight which we put up to concur in the Senate amendments. And the Government workers will get the 5, 5, 5, which they would not have obtained if we had not made that fight.

Mr. CULKIN. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CULKIN. The veterans, as suggested by the gentleman from Minnesota [Mr. KVALE], will not get anything unless the President signs this bill, will they?

Mr. CONNERY. No. I hope the President will sign it.

Mr. CULKIN. Well, will he sign it?

Mr. CONNERY. I have no knowledge of what the President will do.

Mr. Speaker, I do not desire to take any further time of the House. With the foregoing statement I have made, of course I expect to vote to concur in the Senate amendment to the House amendment to the Senate amendment.

And in doing this I wish to say that I thank all the Members who stood with me in that fight for the veterans and the Government employees.

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 that the House concur in the Senate amendment to the House amendment to Senate amendment no. 22.

The motion was agreed to.

Mr. WOODRUM. Mr. Speaker, I move that the House recede and concur in amendment no. 23, which merely changes a section number.

The Clerk read the Senate amendment, as follows:

Page 36, line 13, strike out the figure "24" and insert the figure "40".

Mr. RANKIN. Mr. Speaker, will the gentleman from Virginia inform the House what effect this amendment has?

Mr. WOODRUM. It is merely a change of section numbers.

Mr. RANKIN. What change was made in Senate amendment 22, if any?

Mr. WOODRUM. The Senate added a clarifying amendment providing that the 75-percent reduction should not apply to direct cases.

Mr. RANKIN. I thank the gentleman.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion to recede and concur in Senate amendment no. 23.

The motion was agreed to.

On motion of Mr. WOODRUM, a motion to reconsider the votes by which action was taken on the Senate amendments was laid on the table.

ROLL CALLS NOS. 113 AND 114

Mr. ADAMS. Mr. Speaker, on Thursday I was unavoidably detained in my State and not able to be present at roll calls nos. 113 and 114. Had I been present, I would have voted "nay."

RECIPROCAL TRADE AGREEMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 8687, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield 10 additional minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I am indeed proud and glad to have had the privilege to yield some of my time, and especially my place, on this legislative day for the bringing in of this report by the committee dealing with the veterans' problems. I am glad to add, if I may, to what the chairman of the subcommittee and our distinguished colleage from Massachusetts had to say with reference to the culmination of this great and just task, that the Republican Membership furnished a solid front in support of relief for the veterans and Government workers, and it will be worthy of note that on one vote on this important measure in the House every Republican who voted, voted in favor of the Senate amendments providing for the maximum benefit to veterans and to the Government workers.

Now, to recur to the subject we were discussing, the great tariff question, I want to say that if this bill becomes a law in spite of its unconstitutionality, it might not for that reason alone carry any destructive consequences, for sometimes good is done even in violation of the Constitution. But the enforcement of this bill will, I think, prove very destructive to business for business will still be kept in a state of uncertainty. I can see that if carried out fairly and honestly there might be some good to some persons and industries, but on the whole, the injury that will follow such an imposition upon the individual free initiative of our people will be very disastrous.

This bill provides for the enforcement of a new principle in government. Gradually for years the Executive has invaded functions of the legislative branch of government. Sometimes by surrender of power by weak legislatures or a weak Congress and quite often by the usurpation of legislative power by a selfish Executive. Not since the foundation of the Republic have we seen any President so free and ready to accept and request additional Executive power as the present incumbent. All this is done upon the theory that the country is in a terrible emergency, or that it is in line with the President's program of recovery. We are not in such an emergency as will call for any unusual interpretation of the Constitution, but the enactment of this legislation will tend to add to the confusion of that emergency.

Nobody seriously contends that the President has any program of economy now. With the national debt exceeding that of any time since the establishment of the Republic and still mounting at the rate of twenty millions per day, it is small wonder the President has forgotten his promise of last year to balance the Budget if it took all summer to do it. The cry of "Balance the Budget" is now met with a smile and dismissed as a joke much as is that other famous sentence, "He kept us out of war."

The tariff is a national policy. It is more; it is a part of the business structure of the Nation. It is the policy that represents the difference between being an agricultural province and being the greatest Nation that the world ever knew. Had we not followed this policy almost from the beginning we would yet be an agricultural nation raising food for the other nations of the world. If this policy is directly responsible for our growth, financial and material, it should not be cast aside now in our days of depression. Tried and true doctrines should not be rejected for untried theories of a few communistic intellectuals. It should not be endangered by having it placed in the hands of one individual whose party has openly opposed it for generations, although the individual members of which party have always been ready to accept its benefits in their local districts. When the tariff needs to be changed, it should be changed by its friends and not by its enemies.

I once heard Uncle Joe Cannon say that he would sooner turn his children over to a stepmother than to turn the country over to the Democrats. I am much in the same attitude when I contemplate the Democrats attempting to change the tariff laws. Every attempt at tariff legislation by the Democratic Party has proven disastrous to the Nation. We should not be lulled into discarding a well-tried policy by pleas that we should assist the President in his recovery program, or that we are confronted with an emergency. The real reason for the desire of the President to pass this bill is that he believes that to bring into this country more imports will tend to increase our exports, which he thinks will be to our advantage. I hope that the President and his Secretary of State, Mr. Hull, are sincere in their beliefs. Secretary Hull has been an ardent opponent of the tariff through his long and distinguished career. He opposed every Republican tariff measure presented during his long service in the House and in the Senate. Should the President be guided by Secretary Hull in his negotiations for tariff agreements, it may be expected that all agreements that he might make will be in line with the philosophy of Secretary Hull. Indeed it is not unreasonable to suppose that since it will be physically impossible for the President to make these secret agreements, these agreements will be made largely through the office of the Secretary of State. If they are, you may expect an old-fashioned Grover Cleveland tariff.

How Secretary Hull can justify his championship of this bill, giving such unlimited and unconstitutional power to the President to outdo the flexible provision of the present tariff law, in the light of his vigorous former opposition to the flexible tariff, is difficult to understand. When the Smoot-Hawley tariff bill was under consideration Secretary Hull claimed that it was unconstitutional and that it constituted an "unjust arrogance of power and authority to the President", and that the power granted to the President was a "vast and uncontrolled power", larger than that of an aristocratic king. This bill far exceeds the flexible-tariff provisions of the Smoot-Hawley Act. Will Secretary Hull follow this bill into its far outreaches or will he hark back to his lifelong tendencies toward free trade? Wait and see. Either course is dangerous.

The reasons Secretary Wallace has for supporting this measure are in line with the philosophy that controls the actions of his Department. This is the philosophy of Tugwell and Mordacai Ezekiel and of Frank and Frankfurter and all the other radicals who are leading us straight to Russian sovietism. They want a dictator. They favor regulation of agriculture. They demand cooperation through compulsion. They believe that we should buy where we can buy the cheapest. Their main idea is to destroy surplus. Their theories will Russianize America. Some of them affiliate with the Civil Liberties Union, which believes that the red flag of communism should fly above the American flag. They are internationalists. Secretary Wallace, in his pamphlet America Must Choose, says:

> Revision of our tariff downward will have far better prospects if our new deal succeeds than if it fails.

Further in the same pamphlet he says:

> A truly practical readjustment of our own tariff policy would involve the careful examination of every product produced in the United States or imported, and the determination of just which of our monopolistic or inefficient industries we are willing to expose to real foreign competition. This problem should be approached from the point of view of a long-time national plan which we are willing to follow for at least 20 or 30 years, even if some of our friends get hurt, and howl continuously to high heaven.

This is an augury of what to expect from Mr. Wallace if he has any part in making up the President's mind as to whether to reduce tariff rates, and there is no doubt but that he, Secretary Hull, and Secretary Roper will be the President's advisers.

If this bill becomes a law the President, who now has the power to control every business in the land, will have the power to say whose business shall be permitted to continue and whose business, according to Mr. Wallace, "will have to be retired." Can we then sing, "Long may our land be bright with freedom's holy light"? More appropriately shall we sing the song of the Soviet. My colleagues, this philosophy, if adopted, marks the beginning of the decadence of the greatest Nation that the world ever knew. Shall we break upon the shoals of communism because a lot of Communists are now holding high places in our Government? Shall we disintegrate by scattering our substance to the other nations of the world under the philosophy of internationalism? Shall we further encourage dictatorship? I say no! I should rather die with rugged individualism then to live with ragged communism. I should rather the free American citizen pass on into history as a contribution to civilization than to see him transferred into a servile subject. My friends, the question is, Shall we be free citizens or servile subjects? Mr. Wallace says America must choose. I have already chosen.

For a long time I have had no patience with the clamor that our success lies in friendly international agreements. We already have friendly international agreements that show a balance in favor of our Government of about fifteen thousand millions that we will never collect and of about twenty thousand millions that our American citizens will never collect. When these countries develop a conscience that tells them that common honesty is yet a virtue it will be plenty of time for us to make secret trade agreements with them.

For a long time I have felt that since we do one half of the business of the world with ourselves we are not so bad off. If 3 years ago our President had refused to grant a moratorium to European nations and had recommended that they themselves call a moratorium on national chicanery and dishonesty, the world would be in better shape today. We have been made puppets of by European diplomats. Europe today has recovered from the depression much faster and further than we have. As proof of this, let me read a letter that I received yesterday from a constituent of mine who is a manufacturer and business man of rare acumen:

> Your circular letter of March 7, regarding the bill which Mr. Roosevelt has ordered to be introduced in Congress, giving him dictatorial powers with reference to the control of tariff rates, etc. Answer to your letter has been delayed owing to the fact that I have been absent.
>
> I have just returned from a couple of months in England and France, where I called upon a number of firms in the same business that we are in. Strange to say, all of them were very busy, and one of the general managers volunteered the information that his firm had just finished the best year in its history.
>
> It was interesting to me to note that apparently both of these countries are recovering industrially without the benefit of the N.R.A., limitless spending of money on public works, and numerous other panaceas in which the present administration places so much faith. The tariff is of only indirect interest to us. We do

not export to any great extent and do not use any imported materials. However, we realize that the tariff is of immense importance to American industry, and we would hesitate to see Congress abdicate any more of its power.

Our duty and our opportunity is here at home. Let us quit our interference with and entrance into the business affairs of all our people and allow them once more to draw a free breath. Give the American citizen a free chance and he will demonstrate that his genius for accomplishment is superior to dictatorial edicts. If we need to make these trade agreements, why not make them through the Tariff Commission, for they will have to be made by someone for the President? Why have them made through doubtful friends of our country and in secret? Publicity is the greatest guaranty to honesty and the greatest antidote to crookedness.

In 1929 our total volume of business was $100,000,000,000. Those were the days when business was normal in all directions. At that time ninety billions of this business was done among ourselves—Americans on both ends of the deal. Ten billions was done with foreign countries, six billions in exports, and four billions in imports, 67 percent of which came in duty free—a balance of two billions in our favor. Why hamper the ninety billions just for a chance to make a small percentage of two billions. We have no fear of losing all our foreign trade. Foreigners will always want to deal in the world's largest market. There are no manufactured articles that we cannot make in America. Coffee, tea, silk, and rubber are our most necessary imports. Coffee will always be purchasable from Puerto Rico and Central and South America. Tea, silk, and rubber will always be for sale if we have the money. America can be practically self-contained.

Let us devote ourselves to a program of building up our own business. European countries are already dedicated to such a course, which accounts for our loss of foreign trade. I am not in favor of a plan of isolation. Neither do I fail to appreciate the importance of imports and exports. Still I am not in favor of scrapping the Constitution or scattering our domestic business in order to win trade from those who owe us, unless they are willing to credit it on account of the debts they owe us. We will never regain this trade. Why waste our energies in trying to regain it? Samuel Crowther, one of the Nation's greatest economists, has written a wonderful book on this and kindred subjects. I think he must have written his book before giving it a title. It is a story of the greatness and sufficiency of our great country. The title of his book is "America—Self Contained." This distinguished economist student and patriot yet thinks that American freedom and initiative should not be supplanted by enforced cooperation, regimented labor, controlled production under threat of penitentiary punishment. In his testimony before the Committee on Ways and Means he says—

> I have objection to this bill because it conveys broad discretionary powers upon the President without initiating a policy within which that power is to be exercised—without initiating a national policy and without any capacity for review.

With reference to the importance of a revival of our foreign trade he says—

> I think we are wasting our energy. It is dead beyond the point of revival.

It has been suggested that the foreign debts are involved in this bill. It is stoutly denied by the Secretary of State and others, but Samuel Crowther maintains that it is impossible to separate them, and he says with reference to them, "This bill recognizes the worthlessness", meaning the worthlessness of the debt. In his book, America—Self Contained, Mr. Crowther says:

> The great majority of the industrialists of the country are agreed that their possible foreign business is of slight consequence as compared with the future of the home market.

If the President is not expecting to carry out the plan of Secretary Wallace to eliminate the inefficient industries, there is absolutely no reason for the passage of this bill. If he is expecting to carry it out, then the bill should be passed. If he is to act upon the facts found for him by a governmental agency, he already has the most efficient agency at his command—the Tariff Commission. I may be too much exercised about this—I admit that I am much exercised—for I fear a surrender of this power by Congress to the Executive marks a long step in the wrong direction. To give any one man the right to annihilate one industry and to advance another is going too far. If the President is to annihilate the inefficient, how is he to determine which to annihilate? However much fault some people find with our legislative system, it is nearer to the people than any other branch of our Government. What will happen under this bill? The sugar producers will be the first to feel the iron heel of dictatorship, for Secretary Wallace has already put the sign of destruction on it. I am wondering if it will reach the pottery industry of the great State of Ohio. The greatest pottery-manufacturing section in the United States, if not in the world, centers in Ohio. In fact, many great industrial, financial, agricultural, commercial, and moral organizations and movements center in that great empire known as "Ohio." The following figures show the production of pottery in the past few years: 1929, 30,000,000 dozen, valued at $33,500,000; 1930, 25,000,000 dozen, valued at $27,500,000; 1931, 20,000,000 dozen, valued at $23,300,000; 1932, 17,000,000 dozen, valued at $16,300,000; 1933, 19,194,948 dozen.

This industry employs about 20,000 men in normal times. Mr. Dowsing, testifying before the committee, testified that he represented the Pottery Manufacturers Association and that they opposed this bill, maintaining that it carried very many dangerous possibilities to the pottery business. The pottery business in the United States is a perfect illustration of a domestic business. No pottery made in the United States is exported. It is impossible for American manufacturers to compete with the cheap foreign labor. The American product is equal to the product of any country in quality. If the tariff is reduced on pottery, the American pottery industry will be ruined. At the present time the pottery industry requires a 75-percent to 85-percent duty protection in order to compete with foreign manufacturers. The pottery industry is not asking for an embargo against pottery from England, France, Germany, and other European countries, but it is asking for a duty that equals the difference in cost of production. But if a duty were placed high enough to keep out Japanese goods, it would amount to an embargo against European pottery, for Japan with its cheap labor can make cups and saucers for 10 or 12 cents per dozen which would cost three or four times that much here. The only way to control Japanese importations of pottery is by a quota. Now, if those industries that cannot compete with Japanese cheap labor are to be considered as inefficient and are marked for annihilation, then the pottery industry in the United States had as well give up the ghost. This is a most appropriate illustration of what may happen. Suppose Secretary Wallace and his communistic cohorts and Secretary Hull and his free-trade cohorts can see where it would be greatly to the advantage of the cotton producers of the South to trade their cotton for Japanese silk and pottery, and for the farmers to trade their lard and meats and grains to Japan for cheap tile, brick, and pottery, what is to prevent them from doing so? If they mean to carry out this plan, the pottery and clay-products business offers as good an opportunity as any other. Of course my people in Ohio would raise a tremendous objection; but, as we are a great Republican State and as this is a great protected industry, we are in poor position to demand that we escape the executioner's ax. I hope it will not fall on this industry but it may do so, and that is one good and sufficient reason why I am against it. I cite this illustration the better to show the people of my State what dangerous possibilities this bill contains.

I may be too much exercised about this. I admit I am much exercised. How is he to do it, this President or any future President who is called upon to select the inefficient? It is a very difficult task to perform.

However much fault some people find with our legislative system, it is nearer to the people than any other branch of our Government.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield at that point?

Mr. JENKINS of Ohio. I would rather not yield until I have completed the main part of my speech.

Mr. SAMUEL B. HILL. I wish to ask a question right in this connection.

The representative of the pottery industry said he asked for an embargo.

Mr. JENKINS of Ohio. No; I beg to differ with the gentleman from Washington in that respect. I read his testimony very carefully. He said he did not ask for an embargo against European countries, but if they were to deal with Japan they must have an embargo. Why? He said because in Japan they make these articles so cheaply it would take at least a 300-percent tariff to meet Japanese competition.

Were our President to sit in at a reciprocal trade conference with Japan, what would Japan ask to trade? Pottery. And should the President make such a deal with Japan, then it is good-bye to the pottery industry of my State, which does an annual business of over $33,000,000.

Mr. Chairman, I repeat, it is a serious proposition to the pottery industry of my State; and to the gentleman from West Virginia, who is listening so attentively, I will say it is a serious proposition to West Virginia. It is a great industry, but it has been put on the trading block, and nobody in it has any heart to proceed; nobody has any heart to expand his business, because it is on the trading block; it is going to be talked about when the Japanese envoys get around the table with the President of the United States, as the gentleman from Tennessee says; and if they say it is an inefficient industry, such as Secretary Wallace talks about, then it is good-bye to the pottery industry of Ohio.

You can go down to the 10-cent store now, if you want, and buy pottery made in Japan by cheap labor for 10 cents a dozen. You can buy them much cheaper than we can make them here. No manufacturer in the United States can compete with Japan on cheap pottery. What applies to the pottery business may just as well apply to any other industry that is protected by a tariff.

Now, I must proceed. I have many other reasons I could assign why I am opposed to this bill.

To summarize my opposition to this bill:

First. The passage of this bill is not necessary, for the benefits that might accrue under it can be secured under the present tariff organization.

Second. It is unconstitutional.

Third. The amount of imports in normal times is only about 3 or 4 percent of the goods consumed in the United States, and 67 percent of those are on the free list.

Fourth. We do one half of the business of the world in the United States, and all nations are glad to deal with us and send their surplus to the greatest market in the world.

Fifth. Our concern should be greater for the ninety or ninety-five billions in business done among ourselves than the five or ten billions done with all the rest of the world.

Sixth. No further grant of power should be given to the President. Republics are ruled by the people and not by dictators.

Seventh. Protective tariff is largely responsible for the growth of the Nation. It is a Republican policy. It has been opposed by the Democrats. It should not be changed by its enemies.

Eighth. Increase of imports does not relieve unemployment in our country.

Ninth. It is un-American for any one man to have the authority to say that any certain industry must be annihilated and that certain other industries should be encouraged and expanded. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, members of the Committee, H.R. 8430 has for its object the granting of authority to the President to make foreign-trade agreements by increasing or decreasing, not to exceed more than 50 percent, existing tariff rates for the purpose of expanding our foreign markets and establishing and maintaining a better relationship with foreign nations, for the benefit of agriculture, industry, and commerce.

During the entire history of our Nation there has always been a great diversity of opinion among the followers of the Democratic and Republican Parties as to the best procedure affecting imports or tariffs. I have heard it contended that the Democratic Party was never for a tariff and that we were "free-traders." As a matter of fact, in the early history of our Government, and for the first 50 years of its existence, at a time when democracy was ruling this Nation, building the cornerstones and laying the foundations upon which our great structure was builded, our party stood for a tariff. It threw its arms of protection around the infant industries in order that they might develop and not be crushed by foreign wealthy powers. This continued until this child grew to full manhood and became rich and omnipotent. At this time it was discovered that the protected industries were coming to the Congress demanding and receiving a protection for their own personal gain, and that it was necessary to protect the public as against these selfish interests. It was then that the Republican Party took up their battle and gave to industry a greater protection, culminating in the Smoot-Hawley-Grundy tariff law.

When this tariff bill of 1930 was pending President Hoover, in his message, stated that there were a few revisions that should be made, and Speaker Longworth, in his opening address of that session, declared that there were very few changes that should be made. No sooner had the committee started its work than these financiers, rich omnipotent protected industries, began to exert their influence, and, as a result, they enacted the most outrageous high protective tariff ever known in the history of the Nation. During its pendency over 40 of the leading nations of the world protested and begged that the law be not enacted. They held their hands up in holy horror, and at last declared if such a law were passed barring their goods from American markets, that they would pass retaliatory laws. As a result, nations that scarcely knew what it was to collect an import duty not only passed high-tariff laws but established embargoes, prohibitions, and quotas which were prohibitive as against America, a simple example being that the tariff on a Ford car in France is as much as the purchase price in this country. American industries established branches and others established industries in Canada and foreign countries in order to avoid the embargoes and tariffs imposed on American goods.

We are a surplus-producing nation, both in agriculture and in industry, and being barred on the foreign markets and unable to dispose of our surplus, it accumulated here at home, causing a financial panic and a depression never known in the history of our Nation. Farmers were unable to sell their products and could not buy from the local merchants, the local merchants could not buy from the wholesalers, and the wholesalers from the factories. Thus these industries ceased to operate, their men were thrown out of employment, they were unable to meet their obligations, like the farmers; bank failures and bankruptcy appeared on every hand and the poor and laboring class of people numbered 13,000,000 of unemployed, resulting, for the first time, in this Nation being required to feed and clothe its people at Federal expense. All of which was due to this outrageous Smoot-Hawley robber tariff law, engineered by Grundy, of Pennsylvania, who contended that no one but the manufacturers who had contributed money to the Republican campaign funds should have any voice in the matter.

It is a striking illustration that agriculture and industry should go hand in hand. When the farmer fails to prosper and has no money with which to buy, industry suffers. By reason of these high tariff walls existing in foreign countries in retaliation and as a punishment for the Smoot-Hawley law, we have not attempted to amend that law, because we can accomplish no good by so doing. Unless there are radical changes made by foreign-trade agreements, we will

probably never in our lives see another general tariff law enacted. Still there are some of our Republican colleagues today, in a half-hearted way, defending this law, notwithstanding the fact that it has been overwhelmingly repudiated at the hands of the American electorate. They constitute the remnants of the old Hoover regime which would not give a dime to feed or clothe the poor of the Nation, which they ridiculed as a dole, but relented to loan money to buy feed for the jackasses. It is interesting to note that Senator Smoot, Senator Grundy, and Representative Hawley were immediately retired to the shades of quiet and peaceful domestic life. One half of the former Republicans of this Nation deserted their party at the last election as a retaliation, due to conditions brought about by this tariff law, which further protected industry and the unjust accumulation of wealth into the hands of a few. Labor never received its portion of protection. The protection went not into labor or the Federal Treasury, but into the swollen pockets of wealth. If labor received this protection and we can live unto ourselves, why the panic and national calamity?

Prior to 1930 we were exporting $5,000,000,000 annually of our surplus, 40 percent being agricultural and 60 percent industrial. Last year our exports were approximately $1,000,000,000. Our imports in 1929 were $368,000,000, while in 1933 they were $96,000,000. We cannot expect to have an export trade without a considerable import trade. It is absolutely imperative that something be done to expand our foreign trade and dispose of our surplus.

This measure represents a Democratic remedy. The Republicans have no remedy, but are still wedded to their golden calf, the high protective tariff. We cannot stand still, we must either go forward or backward. It is impossible for us to operate under our tariff laws under present conditions. It takes about 6 months to have hearings and obtain a ruling, raising, or lowering the tariff under the flexible provision. Practically all the nations of continental Europe, as well as England and many of the Latin American countries, have vested authority in the executive branch of their governments to negotiate duties below those in their tariff schedules in the course of reciprocal negotiations with other countries. In many countries this executive authority goes so far as to make changes over night. This means that we stand no chance for restoration of our lost markets without being able to deal quickly. Certainly the Congress cannot make these negotiations. International commerce conducted on a fair, mutual, and profitable basis, such as contemplated in this bill, is calculated to add materially in the restoration of prosperity and serve as a great civilizer and peacemaker. The question today is what are we going to do to regain our foreign trade? We know we have lost it and we must set up some agency to regain it. All the other nations of the world are making reciprocal commercial agreements between one another. We are doing practically nothing because of a lack of authority. I was startled to hear my Republican colleague [Mr. JENKINS of Ohio], just preceding me, make the same remark he and other Republican committee members have advanced. "It is no use to worry about our foreign markets, as they are gone never to be regained." Is such Republican political propaganda sound or reasonable? The purpose of this bill is to vest authority in the President to set up an agency through the Secretary of State to break down the barriers, go into the open markets and create a demand for our surplus. It may sound good for our Republican colleagues to preach isolation, to contend that we can build a Chinese wall around our Nation and live by ourselves. This is probably true. The Indians used to do so, but if we expect to keep step in the march of time and to prosper in the future, as we have in the past, we cannot live unto ourselves, but must trade and exchange goods with our neighbors.

Mr. DARDEN. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Virginia.

Mr. DARDEN. Would we not sacrifice 60 percent of the cotton trade of the world? Sixty percent of our cotton moves abroad. Unless we are to develop our foreign markets, have we not of necessity got to give that trade up?

Mr. FULLER. Certainly.

FOR WHAT DO WE TRADE?

The minority members in the committee and here on the floor of the House have insisted on wanting to know what specific articles we expect to barter or trade. Seeking, of course, to get someone to specify an article which is grown or manufactured in this country with a view of advancing the further argument that the object of the bill is to destroy American industry. They seek not relief from the condition they brought about but political advantage. The answer is, We expect to deal, swap, and trade, and make reciprocal agreements concerning things which come to this country in exchange for our surpluses, the same as we did before the Smoot-Hawley tariff law. If David Harum were alive and figuring on making a horse swap with the deacon, he would not let everyone know the procedure he would follow nor the tactics he would resort to in making a swap. Neither is it good public policy, nor in keeping with his position, for Secretary of State Hull, who will have this matter in charge, to let the nations of the world know in answering questions before the committee as to what articles he expected to barter and trade. Such a procedure would forewarn the other nations. It is no trouble to conceive of thousands of articles that we could make reciprocal agreements concerning, to be imported and sold in this country, in exchange for our surplus manufactured and agricultural products. Forty-eight nations of the world are busily engaged in entering into these kind of agreements. It is not a matter of retaliation with us, but a matter of self-defense. Under this bill we can develop a stable situation with regard to a foreign market.

With the rapid changes in the tariffs, embargoes, exchange restrictions, and quotas, no business man knows how to plan ahead. He is afraid to ship a cargo to a foreign market without a reciprocal trade agreement with that nation, fearing when his cargo arrives there would be an embargo or such restrictions that he would lose his shipment.

It either means that foreign purchasing power for agricultural surpluses be restored or that we continue with the present emergency and undesirable task of retiring surplus acres and the imposition of processing taxes.

THE DELEGATION OF AUTHORITY

It is contended by many of our Republican colleagues that this bill is unconstitutional for the reason it delegates authority to the President to levy taxes, which authority, under the Constitution, is vested in the Congress. This measure carries no such authority. It simply authorizes the President, probably acting through the Secretary of State, to act as an instrumentality to carry out our tariff law with power to raise or lower tariffs, the same as is now vested in the Tariff Commission. It is not a delegated authority. Under the Smoot-Hawley tariff law the President now has practically the last word in tariff questions to the extent of 50 percent. He names the Tariff Commission, and it is reasonable to conclude that if he wants the tariff raised or lowered 50 percent, as now authorized under the law, that he would be able to carry out his purpose. The contention that leading Democratic statesman contended the Smoot-Hawley law was unconstitutional because it vested authority in the President and the Tariff Commission to raise or lower the tariff does not rise to the dignity of an argument for the unconstitutionality of this measure. This is an emergency measure and no one contemplates or desires that it shall be a permanent law. Since the creation of our Government authority in numerous instances has been vested in our Chief Executive by Congress to enter into various reciprocal trade agreements without reporting and receiving the approval of the Senate.

LACK OF CONFIDENCE

It is natural, if only for political purposes, that our Republican colleagues would be opposed to any measure that we proposed affecting the tariff. But how a Democratic Mem-

ber can oppose this measure is more than I can comprehend. Their argument must be based wholly and entirely upon a lack of confidence in our President. Of course, he cannot make all of the agreements; but it is fair to conclude that he will know the substance of every agreement he approves. Some of the representatives of the sugar industry are skeptical and fearful that he will ruin their industry. In my opinion, such a fear is wholly unfounded. Personally, I am in favor of a reasonable and fair protection of this industry; but if they are entirely inefficient and living and prospering at the expense of the consuming public, they have no right to complain, nor has any other industry that is wholly inefficient. Certainly its friends will not concede the sugar industry is inefficient. This Government does not levy a tax and pass it on to the consumer to take care of the professional, business, and agricultural interests; and no industry has a right to exact that it should be maintained at the expense of the taxpayers.

I represent the greatest tomato-canning industry in America, situated in the Ozark Mountains. This area cans one third of all the tomatoes consumed in America. It could be driven out of business and into the hands of bankruptcy in 30 days if Italy were permitted to ship unrestricted canned tomatoes into this country. But I have no fear of our great leader crippling this industry. He has demonstrated by his entire program that his main and first object is to restore agriculture. Agriculture need have no fear of trade agreements being entered into that will permit other nations to ship their goods here in competition. In my opinion, instead of injuring the manufacturing industries, it will be of untold value. No one in this House would be in favor of adding an additional burden during these trying and panicky times to striving agriculture, business, and industry.

This is not a jump in the dark; it is a conservative measure, to be executed by the world's greatest statesman. Let us not be doubting Thomases and stand still, groping in the dark; but, rather, let us present a solid phalanx with a firm determination that we will back our President in this worthy undertaking to restore peace and prosperity to this Nation. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield such time to the gentleman from Arkansas [Mr. GLOVER] as he may desire.

Mr. GLOVER. Mr. Chairman, we are now considering an amendment to the Smoot-Hawley tariff bill of 1930, which is H.R. 8667. This bill does not go as far as I had hoped it would. I was hopeful that a general tariff bill would be brought in by the Committee on Ways and Means, which would give us a chance to revise and lower many tariff schedules which we believe should be lowered.

A tariff bill should not be written in haste, as we all know, because it requires careful study for each item. What we need is a well-balanced tariff, which will not aid a privileged class to the detriment of the masses.

The tariff bill of 1930 is the highest ever written, and it has had the effect of driving away from us our foreign trade, which we enjoyed for so many years and will enjoy again when this question is settled right. When the Smoot-Hawley bill was passed, it built, as it were, a wall around the United States so high that other nations could not trade with us. Other nations are thinking for themselves just like we are, and have passed retaliatory measures against us, and as a result of the legislation on both sides we have been standing here idle counting our fingers, for we had no money to count, and other nations have been doing the same thing.

This bill seeks to tear down that barrier and give the power to make reciprocal trade agreements with any country we may desire to, by reducing our tariff not exceeding 50 percent and they reducing theirs the same. If we can induce a few of the large nations to enter into this kind of agreement, we shall never again have a surplus of anything. If the world were properly fed and properly clothed, we would have no surplus. The trouble now is we are in need of everything and nothing to buy with. The purchasing power must be restored or our people will continue to suffer.

The manufacturing interests have always been protected with a high tariff, and the man who produces the raw material is forced to sell on a market which is not protected at whatever he can get for it, and then buy what he has to buy on a market that is protected. Almost everything a man uses from the cradle to the grave is protected by a high tariff. A farmer will raise a 4-year-old beef steer, butcher it, take the hide to town, and sell it to one man; he will then go across the street and buy a pair of hame strings, and the tariff put on leather makes them so high it takes practically all he got for the whole beef hide to pay for the two hame strings. The same is true with practically everything we have to buy.

Much has been said about giving too much power to one man as President. I agree with that line of thought, but much depends on who is President. I am sure the present President, Mr. Roosevelt, will not abuse this power in the least but that he will use it to help pull us out of the dilemma we found ourselves in on the 4th of last March. Too much cannot be said in praise of our great leader, Franklin D. Roosevelt. He admits that he, as well as anyone else, will make mistakes when trying emergency measures to pull us out of the distressing conditions we had drifted into. It is far better to try and not succeed than to fail to try and let humanity suffer.

The President, addressing the Congress, speaking of the decline in world trade, said:

> Measured in terms of the volume of goods in 1933, it has been reduced to approximately 70 percent of its 1929 volume; measured in terms of dollars, it has fallen to 35 percent.

The Secretary of State, in his testimony before the committee March 8, 1934, said:

> According to reliable estimates, if world trade had gone forward with the annual ratio of gain existing before the war, the nations during the intervening years would have had some $275,000,000,000 more than they have actually enjoyed. And according to these estimates, if world trade had thus progressed there would be today an annual international commerce of near $50,000,000,000 instead of the pitiable figures of less than $12,000,000,000 for 1933.
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> International trade has steadily grown less each year since 1929. The reduction of international trade in the amount of $40,000,000,000 means the reduction of world production by $40,000,000,000, and this means a reduction in consumption of a like amount and this means correspondingly lower standards of living.

President Roosevelt in his message to Congress stated:

> Other governments are to an ever-increasing extent winning their share of international trade by negotiated, reciprocal trade agreements. If American agricultural and industrial interests are to retain their deserved place in this trade, the American Government must be in a position to bargain for that place with other governments by rapid and decisive negotiation based upon a carefully considered program and to grant with discernment corresponding opportunities in the American market for foreign products supplementary to our own.
>
> If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded. If it is not in a position at a given moment rapidly to alter the terms on which it is willing to deal with other countries, it cannot adequately protect its trade against discriminations and against bargains injurious to its interests. Furthermore, a promise to which prompt effect cannot be given is not an inducement which can pass current at par in commercial negotiations.
>
> For this reason, any smaller degree of authority in the hands of the Executive would be ineffective. The executive branches of virtually all other important trading countries already possess some such power.

We must safeguard our export industries. If the United States is to regain prosperity and not sacrifice large and important agricultural and commercial interests which give employment to millions of the workers of the country, it must sell certain of its surplus products abroad. As stated by the President in his message to Congress:

> Important branches of our agriculture, such as cotton, tobacco, hog products, rice, cereals, and fruit raising, and those branches of American industry whose mass-production methods have led the world, will find expanded opportunities and productive capacity in foreign markets and will thereby be spared, in part at least, the heartbreaking readjustments that must be necessary if the shrinkage of American foreign commerce remains permanent.

The main purpose of the bill is to build up foreign trade. Section 350 (a) reads as follows:

For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public in the present emergency, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds that the existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States or that the purpose above declared will be promoted by the use of the powers herein conferred, is authorized from time to time—

(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists. The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly, except that nothing in this section shall be construed to prevent the granting of exclusive preferential treatment to articles the growth, produce, or manufacture of the Republic of Cuba: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The President may at any time terminate any such proclamation in whole or in part.

(b) As used in this section, the term "duties and other import restrictions" includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions, other than duties, imposed on importation or imposed for the regulation of imports.

Let us pass this bill; and if the tariff is not corrected, then let us rewrite the tariff bill and make it just and fair to all men. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. BAKEWELL].

Mr. BAKEWELL. There is no dispute as to the desirability of the revival and expansion of international trade in the interest both of agriculture and of industry. There is no doubt a sense in which America can be regarded as the greatest—perhaps the only free-trade nation in the world—since we have absolute freedom of trade between the 48 sovereign States, many of which compare favorably in size and wealth, in diversification of activities, and even in population, with independent nations situated in other parts of the globe. If any nation can stand economic isolation, we can. We consume more than 90 percent of what we produce, and our home markets must be preserved at all cost. Nevertheless, if so confined, the restoration of normal conditions at home would bring a prosperity so far below that which we formerly enjoyed, and which we hope to recover, as to satisfy no one. William McKinley himself, the arch apostle of protection, said more than 30 years ago that "the period of exclusiveness is past." He recognized the necessity of finding foreign markets for our surplus products, and advocated a broad and enlightened policy of commercial expansion. That has been good Republican doctrine from that day to this. And it is equally good Republican doctrine that one method of furthering that end is through reciprocal trade arrangements with other nations, which can and should be accomplished without compromising the principle of protection. The Republican platform in 1900 contained this plank:

We favor the * * * policy of reciprocity so directed as to open our markets on favorable terms for what we do not ourselves produce in return for free foreign markets.

It is not contrary to Republican policy even to advocate certain reductions in tariff rates in the interest of trade expansion, where changed conditions of relative cost of production make this possible without involving unfair and ruinous competition. Unfortunately this pathway is pretty effectively barred by the increased cost of production under the codes of the N.R.A. European and Asiatic goods, made with long hours of work, low wages, often sweatshop conditions, are even now leaping over our tariff walls, flooding us with foreign-made goods, and threatening the existence of many of our industries. If it is desirable for American industry to be protected from cutthroat competition at home, it is most assuredly right that it should be protected from cutthroat competition of foreign manufacturers.

It is also recognized by the Members on both sides of the House, excepting only the silver bloc, that the development of international trade is conditioned, in the last analysis, by the exchange of goods and services for goods and services. This is true, subject only to the limitation that the amount received by citizens of other lands for their investments in American securities in excess of the amount received by Americans for investments abroad and the amounts spent by American tourists abroad in excess of the amount spent by foreign tourists in this country must be taken into the reckoning.

Finally, the principle of a flexible tariff, permitting the changing or rates within limits by the President under definite conditions imposed by Congress, is a Republican contribution to tariff policy. But note that the President, under the present tariff law, relying on the results reached by a fact-finding nonpartisan Commission, is merely authorized to carry out the expressed will of Congress by changing rates to meet changed relative costs of production so as to maintain fair and reasonable competition.

This bill proposes something totally different. There are no conditions imposed; there is no fact-finding body involved. The President is not instructed to carry out the will of Congress, but is authorized to follow his own sweet will. He is given absolute power of life and death over our industries. There can be do doubt as to the intention of the administration.

Mr. Wallace, whose bill this is, let the cat out of the bag during the hearings on this measure. Here is one passage among many that might be quoted:

Mr. WALLACE. I think it would be quite possible to increase Germany's purchasing power for our lard. Germany, in the old days, was the leading consumer of American lard. Germany today has a tariff of 16 cents a pound on lard, which is nearly three times the present price of lard in this country. Lard is an important product to your State and to my State. I think we should increase Germany's purchasing power for lard very materially in case we import a normal quantity of German goods.

Mr. KNUTSON. What would we bring in from Germany?

Mr. WALLACE. Germany has a large number of small industries.

Mr. KNUTSON. Are they efficient?

Mr. WALLACE. They seem to be more efficient than our own; they are willing to sell at lower prices. The Germans are undoubtedly able to sell toys for less than our people are able to sell toys.

Here is the yardstick that is to be used. Willingness to sell at lower prices is the mark of superior efficiency. If that is a sound doctrine, why should not the cutthroat competitor, working with child labor and under sweatshop conditions, be declared the efficient producer? If this yardstick is used, there is scarcely anything that we make that Japan cannot produce and sell, even after paying transportation and tariff charges, for less than our people can sell similar articles. She can produce more cheaply because she has all our latest machinery and because she pays starvation wages and exacts long hours of toil.

The application of the principle enunciated by Mr. Wallace would threaten nearly all of our industries. They are having a hard battle to keep going as it is. They cannot stand the uncertainty this bill will create. The President is here authorized to act without the check of any impartial nonpartisan fact-finding body, and without granting a hearing to the industries affected. Our industries cannot stand it to have this sword of Damocles hanging, always hanging, over their heads.

If industry is dependent on the prosperity of the farmer, it is at least equally true that the farmer is dependent on

the prosperity of industry. How long, how long will it be before we take to heart the simple truth that there can be no real recovery, no enduring reemployment, until industry is given a chance to thrive and prosper?

But there is an even greater menace in the bill under consideration. Congress in the special session granted the President vast powers on the pretext that they were wartime emergency powers, and with the understanding that they were temporary in character and would soon be relinquished. But the lust for power is an appetite that grows by what it feeds on. The President's demands now know no limit. This Congress, abjectly surrendering to his dictatorship, has enormously extended his powers through the $2,000,000,000 currency and credit control bill and the cotton control bill. This bill represents the culminating effort to wrest from Congress its last remaining vestige of power. We have no right to surrender this power. To do so would be a direct violation of our oath to uphold the Constitution. I have excellent authority for this statement. When the bill was under consideration, 5 years ago, which proposed to give the President the right to modify rates, although that power was merely to carry out the expressed purpose of Congress, our Democratic statesmen were up in arms. Here is what one of them said, speaking from the other end of the Capitol:

I should like to read a few of the statements of these gentlemen, statements which have not as yet appeared in this discussion, but, asking unanimous consent to include them in the RECORD, in order to save time, I shall press on.

The CHAIRMAN (Mr. HAINES). The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. BAKEWELL. Listen to this from a distinguished statesman at the other end of the Capitol, October 1, 1929, page 4094:

Senator WAGNER. After the Tariff Commission has made an investigation and recommended a change in duty, who is to enact that recommendation into law? The President takes the position that he alone is competent to act with the necessary dispatch to afford adequate relief. It is my view that if a new duty is to become effective, if a greater tax burden is to be imposed upon the people of the United States, the change must secure both congressional and Presidential approval, as in the case of the enactment of every other law. The issue is not between a flexible and an inflexible tariff; the true line of division is between an Executive tariff and a congressional tariff.

Here is the statement of another eminent Democrat, also made at the other end of the Capitol, October 1, 1929, page 4106:

Senator WALSH of Massachusetts. Gentlemen, you are engaged in an assault upon parliamentary government. No one can foresee where this movement will lead or end. One thing is certain: It risks the beginning of the end of that fundamental principle upon which our institutions were built, our happiness secured, and our prosperity maintained up to the present hour. This proposed change would not even be thought of except it is the fashion of the time to belittle and discredit parliamentary government. But the tragedy of it all is that we ourselves are joining in the movement to undermine parliamentary government, which means to put ourselves in the limbo of rejected things.

And here is a gem from Texas, October 1, 1929, pages 4101 and 4102:

Senator SHEPPARD. Mr. President, the Constitution of the United States provides that all legislative powers granted by its terms shall be vested in Congress.

Congress cannot relieve itself, therefore, of the legislative function without violating the Constitution, the instrument which every Member of the two Houses of Congress has sworn to support and to defend.

It would be difficult to imagine a more serious question than the one before us.

It is the question of whether we are about to delegate a legislative power to the President of the United States.

What is that power? * * *

The life and death of many industries, the welfare of multitudes of men, women, and children would be made to depend on the will or the mood of one man—perhaps on what he ate for breakfast. * * *

The Constitution makes Congress the sole legislative instrumentality. Not only does it vest the law-making power in Congress, but it goes further and specifically ordains that Congress shall levy duties.

The proposal under debate substitutes the President for Congress in the matter of levying duties within limits alarmingly wide. Tariff taxes touch humanity at every step from infancy to dissolution. The power to tax is the power to destroy.

The proposal confronting us clothes the President with legislative power.

It merges the Capitol into the White House.

It deposits the dead body of a suicide Congress at the feet of Herbert Hoover.

The measure under consideration enables the President to make law—to legislate.

It destroys so far as its operation is concerned one of the most vital features of our system of free government—the separation of the executive, legislative, and judicial functions.

Mr. Chairman, ancient civilization rested upon slave labor. Aristotle, the greatest intellect that ever lived, in defending this institution said that if there had been no slavery there would have been no leisure, and without leisure there could have been no civilization. But, he added, with prophetic vision: "If only the shuttle could weave without the hand to guide it, there would be no necessity for slave labor."

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman from Connecticut 7 additional minutes.

Mr. BAKEWELL. Now the shuttle does weave without the hand to guide it. Science and invention have made such tremendous strides, have given us such complete control over the forces of nature, that now it is possible for the first time in history for all men to live in freedom and with leisure and be able to enjoy and contribute to the blessings of civilization; but, Mr. Chairman, these developments have come with such bewildering rapidity that we are in danger of being overwhelmed by our very victories over nature and nature's forces. Selfishness and greed have not been slow to seize their opportunity; folly has done its share; and chaos has resulted. It is necessary to bring order out of chaos, and this can only be done by finding a better balance between production and consumption, a better distribution, a more even-handed justice; but this itself would be of little value if it were purchased at the price of the loss of our liberty and of that individual independence and initiative which constitute our most precious heritage.

When this administration came into power we had hopes that we were to have a leadership which would find the way out while still preserving our liberties, but as the months have rolled on, huge bureaucracies have been piled on huge bureaucracies, measure after measure has been sent down and ordered passed, measures which show that we are being pushed more and more to the left. It is becoming increasingly evident that the political philosophy underlying these measures is not that of our fathers, not the philosophy of Washington and Jefferson and Lincoln. It is an alien political philosophy, sired in Germany and damned in Russia.

If we follow this through to its logical end, we shall find that just at the time when we might all have been free we shall all be in chains, living under a completely regimented system.

The President in a recent speech said that he was sometimes amused and sometimes sad over such suggestions. It would be well if he were to take to heart his own counsel when he said, "We must think things through." It were well if he would take a few days off and think through to the bitter end the implications of some of these measures that have had their origin in brain storms of the visionaries who constitute the kitchen-brains cabinet of this administration. It is high time to call a halt. Here and now is the appointed place and time.

If you continue to follow along the path you are now following, you will find in the end that you have sold our birthright of freedom for a mess of communist pottage, and this period of our history, which started out with a promise so fair, shall be known in history as the era of the great betrayal.

You gentlemen on the Democratic side of the House are on record with respect to your own opinion on these matters. You cannot go back on those opinions. If you were honest then, you must still believe those things to be true.

Mention has been made of coming elections. If you continue to vote simply under orders, turning yourselves into a herd of dumb, unreasoning cattle that understand no language but the crack of the whip, if you are fearful of getting on the Speaker's blacklist and losing administration support in the coming election, you will vote for this measure; but if you use your judgment, you will vote against it, unless you were insincere in what you said a few years ago. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, I listened with marked attention to the brilliant speech of the distinguished gentleman from Pennsylvania [Mr. BECK], in the House on Saturday last, against the pending bill (H.R. 8687) granting tariff powers to the President, and also read his speech in the RECORD.

It is always an education to listen to the gentleman from Pennsylvania. I doubt whether any Member of either House is his match in the discussion of constitutional law, embellished with a wealth of parliamentary history, and adorned with a felicity and eloquence of expression which always make it a pleasure to listen to him.

This is not in the nature of a reply. I am only a very humble self-made member of the profession of which he has long been one of the national leaders. I have neither the knowledge of constitutional law nor of history, requisite to a reply to the gentleman from Pennsylvania. Even if I had these qualifications, my viewpoint would not permit me to dispute his claims regarding the great change which has been wrought in government in the United States in the last 50 years, converting it, to quote him, "from a federation of States into a unitary socialistic State." My answer would be in the nature of a confession and avoidance. I would say that these things have been and are because they had to be. I would plead that what has happened to the Constitution was only incidental to what has happened to the economic life of America.

He begins with the creation of the Interstate Commerce Commission in 1887 as a manifest point of departure from the old constitutional distribution of powers between the Federal and State Governments, followed by the creation of the Department of Agriculture in 1888 and the Sherman antitrust law in 1890, and following on down to the present program, which for the time being is virtually submerging the State in the scheme of American Government.

The situation is proof of the axiom that "necessity knows no law." One sentence in the Constitution, the power given Congress "to regulate commerce among the several States", now outweighs the rest of the Constitution. It is difficult to believe that the framers of the Constitution ever anticipated the interpretations which have been placed on the commerce clause. It is quite likely that as the gentleman from Pennsylvania states, this power was intended to prevent intermeddling by the States against each other. For the sake of argument, let us admit the gentleman's whole case down to and including his observations on the recent milk decision by the Supreme Court, in which he states that "the Court proceeded to reconcile the acts of Congress with an extraordinary latitudinarian interpretation of the Constitution", and let us direct a brief inquiry into the proposition whether history and experience hold out any hope that a government of the people might carry on and liberty survive the transformations being wrought in the structure and functions of government.

I find some hope in the reflections aroused in my mind while reading the speech. The gentleman properly referred to England as the "mother of parliaments." The British Parliament was necessarily the model from which the framers of the American Constitution builded, although with substantial modifications. But he could not have referred to England as the mother of constitutions, because England has no written constitution.

At this point my mind recalled the only effort I made while in Congress many years ago, which attracted any considerable mention. It was a speech based upon President Taft's veto of the resolution admitting Arizona to statehood, because of the radical nature of its constitution.

In that speech I pointed out that the British executive had not exercised the veto power in 250 years. I also pointed out that the British courts had no power to hold invalid an act of Parliament. At this time I want to add that the British House of Lords cannot reject an act passed three successive times by the House of Commons. It appears, therefore, that the oldest, most substantial and successful democracy in the world carries on without the distribution or even the existence of governmental powers which have been considered fundamental by a people not inherently different than their forebears, the American people.

One further point of difference between the British and American systems may be noted at this time and that is that the Commons, the latest addition in point of time to the British structure of government, has become the head of the system. The last is first. The House of Commons, elected by the people, through its ministry, governs the British Empire. It rules kings, lords, and courts. It is supreme.

In the American system the counterpart of the House of Commons—that is, the House of Representatives—was intended by the framers of the Constitution to occupy in our scheme of government the position now occupied by the British Commons. The Constitution vested in it the power to control the purse strings, which means the control of government. If the House of Representatives does not now occupy the high station contemplated by the framers of the Constitution, I want to point out that it is not, like the Constitution, the victim of changes wrought by the lawmaking power. The law creating and empowering Congress stands as originally written, except for amendments adopted by the people on its initiation. But the Congress has suffered, and I now speak of it as one of the three coordinate branches of government embracing both Houses. It has become subordinated to the Executive, far subordinated. It does not enjoy that place in the popular esteem held by another coordinate branch, the Supreme Court. And as between the two bodies of the legislative branch, the popular branch has become the lesser. Therefore, in the American scheme of government, the first is last. The House, it is true, still enjoys the power of initiation in matters of raising revenue, but the right of amendment and the exercise of that right by the other body makes it only a right of initiation. There is no comparison between the powers of the House of Commons and the House of Representatives.

This, however, is not the main question. The main question is the status of the Congress as a whole. A question mark has been placed behind it. The question is whether it is not outmoded and overloaded, whether it is not in the same category with the Constitution and from the same causes.

I read a statement made by Thomas A. Edison some years ago, of which I cannot quote the text, but the substance was that the structure of modern civilization had become so weighty and complex that the human mind was not capable of sustaining it and that the whole structure was in danger of a break-down.

The present bill before the House illustrates the situation. It is a bill transferring tariff powers within defined limits from the Congress to the President. It is pointed out by the Republicans that when the President was granted such powers in the Smoot-Hawley tariff bill, only 3 years ago, the powers of the President being conditioned on the findings of the Federal Tariff Commission, that the Democrats unanimously opposed it as a transfer of legislative powers to the Executive. Now, say the Republicans, opposing this bill, the Democrats are proposing to vest this power in the President directly. Both are right. The power vested in the President by the Smoot-Hawley tariff bill, through the agency of the Federal Tariff Commission, was, like the

original creation of the Commission itself, a recognition of the fact that the Congress, overburdened as it is with multitudes of great new questions, could no longer deal with the vast complexities and intricacies of tariff legislation. Both parties have been borne along on the same stream. These powers had to be handed over to a commission created to exercise them.

It is now recognized that in the rapidly fluxing tariff changes of the world, we cannot even await the slow action of a Commission. Foreign tariffs change overnight.

And what is true of the tariff is true of transportation, of communication, of the banking and monetary systems, of internal revenue, of internal improvements, of the entire recovery program, and of every major national policy. The utmost that the Congress can do, and do intelligently, is to lay down policies and define limits, and it is difficult even to find time to do this.

In the old days the problems of government were few and political, now they are many and are economic and sociological. The former school of statesmanship has passed out. This is the day of the economist and sociologist. I am only able to apprehend this situation, not to meet it. Parliaments and constitutions are in the crucible. Whatever happens to them, humanity, liberty, and progress will survive. Even if this be a revolution, it is only a passing phase. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I am inclined to feel that the main purpose of this bill is to enter into some reciprocal trade agreements for the advantage of some industry and the disadvantage of some others.

There is no question in my mind but if the administration is authorized to enter into these agreements somebody is going to be hurt. No industry in this country will be materially benefited as a result of the trade agreement, unless there is a corresponding damage to some other industry.

I have been very attentive to the debate, hoping that some gentleman will get up and state upon what commodity the tariff is to be reduced. For some reason or other we have not received much information along that line. It would seem that if the administration believes that it can effectually make trade agreements it must have in mind some particular industry that could be dealt with with material advantage to American industry without harming any other industry.

It seems to me that we should be given that information. I do not feel that we can properly act on this bill without receiving information from the administration as to what commodities it is intended to revise the tariff schedules. In the absence of such information, I for one cannot support this bill.

Mr. McCORMACK. Will the gentleman yield?

Mr. BOILEAU. Gladly.

Mr. McCORMACK. The gentleman is a progressive, is he?

Mr. BOILEAU. Yes.

Mr. McCORMACK. Does not the gentleman realize that all of the progressive element in other countries have supported similar measures to this?

Mr. BOILEAU. I have not heard of any country so progressive that they would give us an advantage on a tariff measure.

Mr. McCORMACK. My question is whether or not the progressives of other countries have not supported similar measures?

Mr. BOILEAU. Some progressives in this country have taken that attitude on this question, but I cannot agree with them.

The gentleman from Arkansas [Mr. FULLER] made a statement a little while ago to the effect that if we were to lower the tariff rates on tomatoes Italy could come in here and drive his people out of business. He said, however, in the next breath that he is sure in his own mind that our President is not going to permit his tomato industry to be ruined. Somebody will get the ax. It probably will not be the tomato industry, which is confined to some extent to the gentleman's district, but it may be the paper and pulp industry that exists in my district; and, although the gentleman from Arkansas may have some assurance that they are not going to interfere with his industry, I have no such assurance with reference to the industries in my district, and I am not willing to give to any individual—the President of the United States or anyone else—the power to lower tariff rates in such a way as to ruin an industry which means so much to the district in which I live.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. SAMUEL B. HILL. The paper and pulp industry is now on the free list.

Mr. BOILEAU. I appreciate that fact, but this bill gives the President the right to enter into trade agreements.

Mr. FULLER. They cannot raise the duty there under this law.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. WOODRUFF. While under the bill the President cannot raise the rates on those articles that come in on the free list under this bill, he is given the privilege of freezing those items on the free list. That is inserted in this bill for a purpose that no reasonable man can understand, because it does not mean a thing in the world except that in trading with foreign countries we cannot trade with the only thing that we have to trade with.

Mr. BOILEAU. I appreciate that fact, and also the fact that the power to enter into these trade agreements is not going to redound to the interest of industry here.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. McCORMACK. My friend has an independent mind, and I respect him. The gentleman ought to realize that the probable field of success of such agreements would be in the freezing of commodities on the free list. That is where the greatest field presents itself for the making of reciprocal trade agreements.

Mr. WOODRUFF. Will the gentleman yield to me there?

Mr. BOILEAU. Yes.

Mr. WOODRUFF. To say in response to the gentleman from Massachusetts [Mr. McCORMACK] that this bill gives the President no power to take any article from the free list, he is given the power to freeze something there. We pretend to give him that power, although it is something he cannot use, because it is only by act of Congress that anything can be taken from the free list. It is a lot of "hooey", as we say in Michigan.

Mr. BOILEAU. I think that description would apply generally to all of the provisions of the bill.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. TREADWAY. In view of the interruptions the gentleman has had, I yield him 3 minutes additional time.

Mr. BOILEAU. I thank the gentleman. In considering this legislation from any angle, it must be evident that if we are to enter into any trade agreements and give an advantage to some particular industry, some other American industry is going to be hurt; and it would seem to me that the only fair thing for the administration and the members of this committee to do is to give this House some information as to what commodities are to have their tariff schedules reduced.

Mr. MILLARD. Say sugar.

Mr. BOILEAU. The suggestion is made with reference to sugar. I have the pleasure of serving on the Committee

on Agriculture, and the other day we heard a certain representative from the Agricultural Department come before our committee and say that he believes that we should reduce the tariff on sugar because it is an inefficient industry. I pressed the gentleman for further information as to what he meant by an inefficient industry, and he said in effect that any industry that cannot stand on its own feet, any industry that needs the protection of a tariff, is an inefficient industry. If that is the case I must say that the dairy industry is inefficient, because we need tariff for the protection of the dairy industry, and we need a tariff for the protection of practically every other industry in this country to protect our standard of living. I am not fearful that this legislation will result in reducing tariff protection from butter fat or milk and cream. I do not believe the President for the present would reduce the tariff on those commodities, but I do not want to give anybody the power to do so if he should see fit to do so, especially if he has to take advice from the agricultural experts who claim that any agricultural commodity, such as dairy products, that is in need of tariff protection is an inefficient industry. I do not believe any man should have that power, and I, for one, so long as I am a Member of this House will not give the President or anybody else that power.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Yes.

Mr. VINSON of Kentucky. I am well acquainted with the gentleman from Wisconsin and have great admiration for his ability and his purpose, and without in any sense reflecting upon him I want him at his leisure to insert in the RECORD that statement of the Secretary of Agriculture which said that all industries that had a tariff protection were inefficient.

Mr. BOILEAU. Mr. Chairman, for the first time since I have been a Member of this House I shall take advantage of the privilege to extend my remarks in the RECORD, and I shall insert that quotation.

Mr. VINSON of Kentucky. The gentleman recognizes, because of the thoroughness of his study, that our imports in 1933 declined to $1,400,000,000 plus. I know further the gentleman recognizes back in 1929 our imports totaled $4,400,000,000. In other words, in 1929 we had three times as many imports as we had in 1933, and in this connection I want the gentleman to point out any industry in this country, except those which were particularly tariff hogs, holloing because of any deflated Treasury condition or lack of revenues and dividends.

Mr. BOILEAU. Well, the gentleman made reference to the reduction in the value of our imports. I wish to say also that the value of American industry materially declined during that same period of time. We should look at the entire picture, if we are to consider the loss in imports.

Mr. TREADWAY. I yield the gentleman 3 additional minutes, as I would like to ask him a question.

Mr. BOILEAU. I gladly yield to the gentleman from Massachusetts.

Mr. TREADWAY. The gentleman from Kentucky has called attention to the testimony of Secretary Wallace before the Committee on Agriculture, and I have no doubt the gentleman from Wisconsin [Mr. BOILEAU] can substantiate what he was quoting.

Mr. BOILEAU. If the gentleman will permit me, I did not say it was Secretary Wallace. I said it was a representative of the Department of Agriculture.

Mr. TREADWAY. It is the same thing. He spoke for the Secretary.

Mr. BOILEAU. Well, I wanted to have that clear.

Mr. TREADWAY. I want to call the gentleman's attention, and also the attention of the gentleman from Kentucky to the statement appearing on page 57 of the hearings before the Committee on Ways and Means:

Secretary WALLACE. I can conceive of a situation where Germany, for instance, might be willing to lower the tariff on lard, in case she could move, we will say, some toys into the United States.

Mr. REED. Would you favor lowering the tariff on things Germany produces and ships to this country, and which we produce here in our own country?

Secretary WALLACE. If Germany can produce them more efficiently than we can, it would be of benefit to our customers, as our consumers certainly represent the eventually dominant interest in our population.

Does that not say that Mr. Wallace wants to include importation from Germany of articles that we make in this country?

Mr. BOILEAU. I think the gentleman is absolutely correct.

Mr. VINSON of Kentucky. Will the gentleman yield right there?

Mr. BOILEAU. No. I do not yield until I have made one statement.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. MILLARD. Mr. Chairman, a point of order. The gentleman does not yield.

Mr. VINSON of Kentucky. The gentleman from Wisconsin certainly does not need any help from the gentleman from New York.

Mr. MILLARD. I think the gentleman does not need any help from the gentleman from Kentucky.

Mr. VINSON of Kentucky. The gentleman does not need any help from the gentleman from New York.

Mr. MILLARD. Mr. Chairman, I raise the point of order that the gentleman does not yield to the gentleman from Kentucky.

The CHAIRMAN. The point of order is well taken.

Mr. VINSON of Kentucky. Does the gentleman yield?

Mr. BOILEAU. In just a moment I will yield. I want to say in reference to this entire tariff question that I perhaps go a little further than most any Member of this House would go. I would not say that I would be in favor of an absolute embargo against any commodity that we can produce in this country, but I will say that so long as there are millions of men unemployed in the United States, so long as we are spending billions of dollars trying to give employment to those men in the United States, so long as we have a condition where men are looking for employment, I, for one, will not permit tariff barriers to be put down to take any of those men out of employment or to permit any foreign labor to come in further competition with American labor. [Applause.]

Mr. VINSON of Kentucky. Will the gentleman yield now?

Mr. BOILEAU. I yield.

Mr. VINSON of Kentucky. What I want to keep clear is the statement of the gentleman with reference to what Secretary Wallace said pertaining to tariff industry.

Mr. BOILEAU. I want to keep it straight.

Now, I do not yield further until I make this statement. I did not say Secretary Wallace made that statement.

Mr. VINSON of Kentucky. Who made the statement?

Mr. BOILEAU. I said that I would put that in the RECORD. It was a representative from the Department of Agriculture.

Mr. VINSON of Kentucky. Was it Mr. Weaver?

Mr. BOILEAU. There were three gentlemen who testified. I am not sure of the name at this time. I will put it in the RECORD.

Mr. VINSON of Kentucky. The gentleman knows that Mr. Weaver's statement was repudiated by the Secretary of Agriculture, with reference to his sugar statement.

Mr. BOILEAU. The only thing I can say is that I will put in the quotation if it has not been taken out of the remarks. Sometimes men who give testimony change it completely while revising their remarks.

Mr. VINSON of Kentucky. But I have heard so many misstatements as to what Secretary Wallace has said that I am tired of hearing the statements go unchallenged.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BOILEAU. The gentleman did not hear me say anything about Secretary Wallace.

Under leave to revise and extend my remarks, I include herein a part of the testimony of Mr. A. J. S. Weaver, Chief of the Sugar and Rice Division of the Agricultural Adjustment Administration, given at a hearing before the House Committee on Agriculture on February 19, 1934:

Mr. BOILEAU. Just one further question: As I understand it, there is a limitation as to production of domestic sugar in the bill.

Mr. WEAVER. Yes.

Mr. BOILEAU. What is the economic justification for limiting the domestic production of an agricultural commodity produced in this country, when we are already producing less than a third of our domestic consumption?

Mr. WEAVER. There are two, I think.

One is the cost of an expansion of the industry to the consumer. The other is the cost of the expansion of the industry to farmers through a curtailment of their market for other agricultural goods which may be exchanged for sugar in areas outside of continental United States.

Mr. BOILEAU. Do I understand, then, that because it is necessary to protect a domestic product by a tariff you consider it uneconomic, unsound, to produce sugar in this country because we must have a tariff in order to protect domestic production?

Mr. WEAVER. It is expensive to the consumer.

Mr. BOILEAU. It is expensive to the consumer, you say?

Mr. WEAVER. It is expensive to the consumer, and the cost to the consumer is far out of proportion, we think, to the benefits to the producers.

Mr. BOILEAU. Well, there are other commodities, including agricultural commodities, that we must protect by a tariff, are there not?

Mr. WEAVER. There are many commodities which are protected by the tariff, although, as we all know, most agricultural tariffs are of doubtful benefit to the producers.

Mr. BOILEAU. Well, yes; but this is one where there certainly is protection to the domestic producer, is there not?

Mr. WEAVER. Yes; but the costs are far out of proportion to the benefits. I think the figures in the President's message are approximately correct. That is to say, that virtually, that you are guaranteeing an income, gross income, to producers of continental beets and cane of $60,000,000 and it costs $200,000,000 to the consumers.

Mr. BOILEAU. Do you want to say, then, as a general statement, that those agricultural commodities that require a protective tariff are necessarily economically not justified for production in this country?

Mr. WEAVER. Well, I would like to know what commodities you have in mind. There might be some.

Mr. BOILEAU. Well, for instance, there is a tariff that is rather high on dairy products. It is necessary to have that tariff in order to protect the domestic dairyman.

Mr. WEAVER. I would rather not comment upon that particular tariff. My impression is, as to most agricultural tariffs, that they are of doubtful benefit to agriculture as a whole.

Mr. BOILEAU. I disagree with that, of course.

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we are now acting, as far as the tariff is concerned in this country, under a nonpartisan body, the Tariff Commission, which has the power of regulating tariffs on imports to the extent of 50 percent of those articles that already have a duty. As to any other commodities that are coming into this country, we can, by an act of Congress, put a tariff on those commodities if the Members of Congress see fit to do so. Is this not fair; is it not just? Then why change a perfectly good, sound, sensible law.

I am firmly convinced of the fact that the regulation of these tariffs is a wise set-up for the benefit of this country. It gives an opportunity to make such adjustments in the tariff as the American people feel should be made, providing the Tariff Commission and the President of the United States can be convinced that it is the right thing to do.

We have heard discussed from the floor of the House the fact that the tariff is for the benefit of the American manufacturer. We agree to that. We agree that it is not only for the benefit of the American manufacturer, but also for the benefit of American labor. It is of benefit to all people in all walks of life in America. Not only do we benefit American labor but we benefit the American farmer. You Members of Congress should realize that every product grown by our American farmers has a tariff on it. On wheat there is a tariff of 42 cents a bushel, on oats 16½ cents a bushel, on corn 25 cents a bushel, on cotton 7 cents a pound, on wool 34 cents a pound, on whole milk 6½ cents a gallon, on butter 14 cents a pound, and all other farm commodities have a tariff. Who would take them off of farm products?

Statements have gone out from Members of Congress that we do not protect American agriculture. For the life of me I cannot see why any Member of Congress should make such a statement as that. It is certainly far from the facts and the truth.

This bill calls for trade agreements to be executed by the President of the United States. Is it possible that the Senate is going to pass such a bill as this and give up its rights, inherent under the Constitution? Is it possible that we as Members of Congress are going to pass over all rights we have inherited under the Constitution to the President of the United States?

It has been emphatically impressed upon my mind during the past 10 days that one of two things should happen, either that the American Congress—that means the House of Representatives and the Senate—should assert their rights under the Constitution or they should go home. I am just about sick and tired of the things we are doing here in Congress—passing the buck to the President because we are afraid to assume responsibility.

I have the highest regard and respect for the President of the United States, but, Mr. Chairman, when we turn over to him, and he in turn must turn over to various department heads the authority which is delegated to him, because there is no man under the heavens big enough to assume all the obligations and duties we are trying to shirk and pass up to the President just because we are not big enough and will not stand up here and assume those responsibilities—I say it is about time for us either to assume our responsibilities under the Constitution or go home.

Should the Senate turn over to the President of the United States its right to make treaties? Neither Washington, Jefferson, Lincoln, McKinley, Cleveland, Wilson, nor Coolidge, were they alive today, would be able to recognize the Constitution of this country; it would be a matter of history to them.

I think that today we are setting up what might well be called the Soviet Union of the States of America under the greatest dictator the world has ever known; and I predict that in less than 2 years, unless Congress assumes its responsibility, just that fate will befall this country and our Constitution will not be recognizable. I say to you Senators: Wake up! I say to you Representatives: Wake up! I say to the American people: Wake up! Or something will befall this country that none of us wants to see.

On last Thursday the gentleman from North Carolina [Mr. DOUGHTON], the chairman of the committee, made the following statement, as appears from the RECORD:

I am sure the President will not enter into any negotiations or agreements whereby any industry of the United States will be injured.

I say to the distinguished gentleman from North Carolina and to the Members of the House that during the past 2 weeks the Joint Committee on Printing have been discussing the matter of contracts for paper for the Printing Office for the next 3 months. When we came to the question of newsprint, I asked the chairman why it was that Canadian and foreign newsprint manufacturers were able to quote a much lower price than American manufacturers. The statement was made in reply that operating under the N.R.A. our costs were increased; also, that foreign paper came in free of duty. I asked why it would not be a good thing to place a sufficient duty on newsprint that the American manufacturers might operate under the N.R.A. and pay the wages that the N.R.A. requires the manufacturers to pay. In reply to this one of the Senators made the statement that I raised an improper question at this time.

Mr. W. W. Pickard, who is in charge of the paper industry under the N.R.A., made the statement before our committee that he had taken the matter up with the President in discussing the question whether it would not be a good thing to make some kind of an agreement with Canada whereby they would raise the price of their newsprint paper

so that American manufacturers might get some of the business. He made the remark that the President of the United States said, "I hate to see a tree cut"; and that the newsprint industry had better go out of business.

To show you what the newsprint industry means to this country I wrote the Department of Commerce asking for the capital invested in this industry, the number of plants engaged in it, and where they were located, and the number of people employed. Their reply is dated March 22, 1934, and I read it to you:

DEPARTMENT OF COMMERCE,
Washington, March 22, 1934.

Hon. ROBERT F. RICH,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: Your letter of March 17, addressed to the Hon. Daniel C. Roper, Secretary of Commerce, has been referred to this office for reply.

I am informed by the Forest Products Division that a total of 27 newsprint establishments were in operation in June 1933. These mills have an aggregate capital of approximately $200,000,000. In normal times, according to a report by the Association of Newsprint Manufacturers, they gave employment to 9,000 factory workers, but at the time the report was submitted this number had declined to 6,560, while the companies' pay rolls had shrunk to $7,150,000.

Most newsprint mills are located in small towns. In the report mentioned above only three of the mills were reported as located in towns of more than 15,000 population, 11 were located in towns of 5,000 to 15,000, and 13 in towns of less than 5,000. Lockwood's Directory of the Allied Trades, published in 1932, and which probably applied to operating conditions in 1931, or early in 1932, listed a total of 31 establishments manufacturing newsprint. Of this total 10 were reported in the State of New York, 5 in Minnesota, 4 each in Washington and Maine, 3 in Wisconsin, and 5 in other States. Enclosed you will find a table showing production by States for the calendar year 1929, compiled by the Bureau of the Census; also a table showing employment, pay rolls, and annual average earnings for the year 1928, 1930, 1932, and the first 6 months of 1933.

Trusting that this information will be of value to you, I am,
Very truly yours,

WILLARD L. THORP, *Director.*

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. RICH. May I say to the gentleman from Wisconsin the President says that the newsprint industry in that part of the country might just as well fold up.

In 1933 the number of employees were 6,560, the pay roll $7,150,000, or an average annual pay roll of $1,090.

In 1932 the number of employees were 6,790, the pay roll $7,850,000, and the average annual pay roll per worker $1,155. In 1930 the number of employees were 8,340, the pay roll $12,750,000, and the average annual pay roll per worker $1,530. In 1928 the number of employees were 8,960, pay roll $13,500,000, and the average annual pay roll per worker $1,510.

The production by States is as follows: For New York, in 1929, 235,072 tons; Maine, 560,626; Wisconsin, 103,458; Minnesota, 121,563; Washington, 140,016; and all other States, 248,434 tons. Besides the number of workers engaged in these plants, it takes two or three times as many workers, because of the industries in existence in those particular States, to keep them in operation. The men who cut the wood, the farmers who sell paper wood, and many other people. May I say also that Mr. W. W. Pickard, of the N.R.A., who gave the Joint Committee on Printing information, stated that about 65 percent of the newsprint came from Canada, 5 percent from abroad, and 30 percent from America. Are we going to fold up 30 percent of the newsprint industry in this country because we put into the hands of the President of the United States this power? I say no. I say it is time for us to stop such foolishness. It is time for us to resume our authority as men and do what we were sent here for. We do not want to pass our rights over to someone in some department, not the President of the United States, because he must depend on somebody else for his information and guidance. I myself do not like the way some of his advisers are directing affairs. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SWICK].

Mr. SWICK. Mr. Chairman, the policies of the administration as carried out through the Secretary of Agriculture in his efforts to relieve the farmer have always appeared to me to be the wildest of theories. I have wondered for some time just what benefits, if any, the Pennsylvania farmer was receiving from this program, and I am pleased to submit herewith a statement of one of the outstanding farmers in my district, Mr. John W. Cox, of Wilmington Township, Lawrence County, Pa., carried in the New Castle News, Friday, March 23, 1934.

It is encouraging to know that men and women on the farm are rising to the point of demanding common sense from those who administer the agricultural policies of the Federal Government. Congress will do well to heed the protests of practical farmers, who speak from years of experience, rather than those who theorize and do their farming at a mahogany desk.

There is much in this statement that we Members of Congress can profit from. I commend it to you all and suggest that we too adopt the same militant attitude. I might add that Mr. Cox does not know that I am presenting his statement to you; however, I feel certain he does not object if his words of wisdom are passed on to Congress. I am proud to number him among my constituents.

J. W. COX WRITES MORE ABOUT UNITED STATES HOG TAX

I have received congratulations and favorable comments from so many people on my newspaper article published on January 12 on Hog Tax and Farm Relief that I feel encouraged to make more protests against the payment of this unjust and exorbitant tax. I also feel encouraged to continue my efforts in behalf of the Pennsylvania farmer.

Recently I received a letter from the revenue collector, which reads as follows:

MARCH 13, 1934.

J. W. Cox,
Route 5, New Castle, Pa.:

You have been listed by this office as a processor of hogs under the Agricultural Adjustment Act, which became effective as to that commodity on November 25, 1933.

Our records fail to indicate any return as a processor of hogs has been filed by you with this office. If you have slaughtered any hogs for market since the effective date of this act, return should be made on P.T. Form 4 for each month any slaughtering was done.

The rates of tax for the various months per hundred pounds live weight are as follows:

November, 50 cents; December and January, $1; February, $1.50; and beginning March 1, $2.25.

P.T. Forms 4 and 29 have been previously furnished you.

PRODUCERS

If you are a producer (that is, owner of the hog at the time of farrowing), no return is required until your sales or exchanges of pork products for the marketing year which began November 5, 1933, exceed 300 pounds, dressed weight.

In case your sales during the marketing year exceed 1,000 pounds dressed pork, you thereby lost the credit of 300 pounds' exemption and must include the 300 pounds for which exemption was taken in your return for the month that your sales exceed 1,000 pounds and pay on same.

If no processing has been done or if you are a producer and your sales and exchanges of pork products have not exceeded 300 pounds, please so advise, using the enclosed envelop, without postage, for making such reply.

DAVID L. LAWRENCE,
Collector of Internal Revenue.

This newspaper article is my reply to this letter.

In my former article I used the soft pedal, but it is out of order now and I will use the medium one. I do not believe that the hog tax is constitutional. If the Government only took 4 or 5 pigs out of every 100, it would be a tax; but when they confiscate from 20 to 35 out of every 100 it would constitute wholesale robbery, and that never was favored by the Government until recently, when they commenced to collect the hog tax.

You may think that I am Scotch. It is enough to make a Scotchman out of a spendthrift to buy western feed, pay a high freight rate, feed it into hogs, and then have the Government confiscate 35 percent of them, without giving anything in return, and hand it over to the western farmers.

The western farmers had their balmy days, when many of them worked during the summertime and spent the winters in Florida while the eastern farmers were working.

At the present time the tax is 2¼ cents per 100 pounds live weight. The tax on a 400-pound hog would be $9. A 400-pound hog will dress about 320 pounds. At 8 cents, the top market price per pound dressed, it would bring $25.60. Tax, $9. Balance left

after paying tax, $16.60. Tax 35 percent for a hog that cost about $30 for feed and labor at 10 cents per hour.

Mr. Reader, suppose that you had a herd of 100 nice fat hogs, and some Government official would come around and drive 35 of them away; what would you think? You would probably want to send for that Mercer County man.

A New Castle merchant told me that if he was a farmer he would go to jail before he would pay any hog tax. I said I did not think that it would be much disgrace to go to jail for that. "No", he said, "I think that it would be an honor."

We have been accustomed to saving some hams to sell to our customers in the summer, but we did not save any this winter, except for our own use. We ground them into sausage and sold it before the price got as high as it is now. When our customers come around next summer and want to get one of those country-cured, hickory-smoked hams, they will be disappointed.

Farmers, take courage. We have the sympathy of the professional and business men who, I think, will render financial aid if necessary. We also have the consumers on our side.

Even the most ardent Democrat, if honest and intelligent, will admit that the Agricultural Adjustment Act will work a hardship on the eastern farmer. If he does not admit it, he automatically puts himself into another class.

The administration leaders will tell us that the eastern farmers will profit in the higher prices that they will receive for their pork next year, but how can they profit if they do not have any for sale? The eastern farmers are dependent on the West for much of their feed; and the corn-reduction program, which is a detriment to many of the eastern farmers, will force the price of grain up to where the farmers cannot afford to buy it and feed it into pigs with the possibility of a high tax on the pork. Instead of accepting some of the Government's easy money to decrease his crop acreage, he is going to be forced to increase his grain acreage wherever possible or go short on feed.

The majority of the eastern farmers cannot share in the wheat-reduction program, as they need all the straw that they can produce for bedding for their stock. The southern cotton growers received $112,000,000 last year to destroy their cotton and are to receive $125,000,000 in 1934 to reduce the acreage, $237,000,000. That seems like an immense sum to hand to those cotton growers so that they can sit around and enjoy themselves.

If we don't make a strong protest, we will be taxed on our cows, calves, chickens, eggs, and everything that we produce. I am opposed to the destruction of property and strikes such as the western farmers pulled off, but they succeeded in inducing the administration leaders to tax the eastern farmers and hand the money over to them. Something must be done, and done soon, to relieve this situation.

I quote from a bulletin issued by the Secretary of Agriculture, hog regulations made by the Secretary of Agriculture with the approval of the President under the Agricultural Adjustment Act. I think that President Roosevelt is sincere in trying to be helpful and on account of not being familiar with farm conditions is an innocent party to this adjustment act. It is not too late to remedy this situation and we are hoping that President Roosevelt will give it consideration soon. He promised that if he made mistakes that he would correct them.

Nearly all of the hog producers in this locality are hog processors as there is very little demand for live hogs.

A farmer from a neighboring township came to see me a few evenings ago to get some information regarding the hog tax. He regretted that he had sent to the revenue office for information and gave them possession of his name. He thinks that the only farmers that they will collect from are the ones whose names they now have.

They may create a lot of new jobs and put a man into every county in the United States at a high salary to check on every farmer who raised a hog and make him swear what he did with every pound of the meat.

I quote from the Pennsylvania Farmer the experience of a Northampton County farmer: "I did not know to whom to pay the tax and figure the exemption, so I wrote to our county agent. He wrote me giving me what knowledge he had and referred me to a collector for our county. I wrote him for blanks and information. None came. So I wrote to our Representative in Washington who sent me bulletins and amendments thereto. About 3 weeks later the collector came in person to me to 'fix up my tax.' I had my reports ready, but here is where the joker comes in. Because of ignorance of the law in this case I owed a penalty besides of 25 percent for November and December, by the time that I knew what and where and who and how. Another pleasant surprise because I could not get around to the right party in time who wanted my dollars."

It isn't high time—the time is just about past doing any good for us eastern farmers to wake up and plan our course or else we take the course of least resistance. The more we think over this sudden overproduction scare the more it seems nothing more than an excuse to tax everything we buy or sell to the limit of our endurance, and yet our public-school history teaches us to honor the noble heroes of pioneer days when they staged the Boston Tea Party.

This farmer surely has a grievance, and he expresses it in a mild way. Our administration leaders tell us that the way to bring back prosperity is to relieve the farmer and increase his purchasing power.

If one listens to the talks over the radio by the Government officials, it sounds rosy; but if you want to learn the true situation, ask some farmer.

I do not want to be so pessimistic, but I am driven to it. While I am in the proper mood I want to take a whack at our Pennsylvania State Legislature. While the taxpayers have been demanding economy they have continued squandering the State's money. At one of the recent sessions a bill was passed creating a milk-control board, consisting of three members, with an annual salary of $6,000 each. Total, $18,000 for salaries, and $100,000 for operating expenses. All legislative members who voted for that bill should be left at home the next session. Taxpayers, wake up. Talk will not get you very far. Get into action and do something. Comments on this letter, both favorable and unfavorable, will be appreciated. If the necessity exists and I get sufficient encouragement, I will write again, using the hard pedal.

JOHN W. COX,
Wilmington Township, Lawrence County.

Mr. Chairman, I yield back the balance of my time.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 8687) to amend the Tariff Act of 1930, had come to no resolution thereon.

HOUSE RESOLUTION 236

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, for a number of years I have been one of the board of trustees of a Negro community center in my home city known as "Hering House." I drew the deed of trust whereby a generous and public-spirited woman conveyed property worth many thousands of dollars to this board for the use of the colored citizens of South Bend. It serves the several purposes of a Y.M.C.A., Y.W.C.A., and a community center. It works in closest cooperation with the white Y.M.C.A. and with the other social, religious, relief, and employment agencies of the city. It has been a creator of character. It has promoted harmony and understanding among all classes in our community.

No one who has given his time and means to its support has ever regretted it. I doubt if any dollar dedicated to character building and citizenship goes farther than it does there. My work on that board has been one of the things in my life in which I have the greatest satisfaction.

It was natural, therefore, that I listened with sympathetic interest to the speech made the other day by the gentleman from Illinois [Mr. DE PRIEST]. I wish to commend him for his temperate and restrained remarks. He touched a high note when he said:

I have repudiated communism everywhere.

What he said confirms my own experience with the Negro race. They have been and are and will remain as loyal to the flag as any group in this country.

I think Mr. DE PRIEST's resolution should be adopted by the unanimous vote of the House. It does not attempt to prejudge or solve in advance any issue that is involved. It simply asks for an investigation by a committee of this House of a policy that was first established some 12 years ago and has since prevailed during three Republican and the present Democratic administration. It is not a partisan or political question.

Let the House, representing every congressional district in the Nation, appoint a fair-minded committee to work out a solution of this question that will promote good feeling among all classes of our citizens.

WHO DEFEATED THE ST. LAWRENCE WATERWAY TREATY?

Mr. PEAVEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PEAVEY. Mr. Speaker, every daily newspaper in Wisconsin is lamenting the defeat of the St. Lawrence Waterway Treaty, yet not a single editor mentions the prime cause of

the 46 to 42 vote in the Senate, with a two-thirds vote necessary to adopt the treaty.

During the past 15 years Wisconsin and other Northwestern States have paid nearly a half million dollars to the St. Lawrence Tidewater Association or Charles P. Craig on the assumption that Craig and his association were pushing the waterway. Wisconsin alone has contributed more than $50,000.

This association's public record shows:

First. That it has never been militantly for the waterway.

Second. That it has always been indifferent and halfhearted in its support but militant in arousing opposition to the waterway.

Third. Until the treaty was actually introduced in the Senate the State of Illinois paid Craig's association thousands of dollars annually, and Illinois along with the railroad owners in New York has led the opposition to the waterway.

Fourth. The association wants a waterway on paper for political purposes, and their own acts and official record over the last 15 years proves they have never served any other purpose.

I contend the association never secured a single one of those 46 affirmative votes while its lukewarm lip service interspersed with enemy trades of dealing with the opposition doubtless contributed at least one half of those who cast the 42 votes against the treaty.

The association was deaf and dumb during the days preceding the vote. Then came defeat and immediately the association launches a campaign for a revised treaty to please the Illinois and other opponents of the waterway. On the strength of this new betrayal the association hopes to perpetuate itself in office and cash incomes. The people of the Northwestern States will continue to pay.

For 15 years the cause of the St. Lawrence waterway has been in the hands of its enemies and Wisconsin newspaperdom laments the effect and continues to ignore the cause. All of which causes this writer to join the Biblical character, Job, in the lament, "How long, O Lord, how long."

The St. Lawrence Tidewater Association lent its services to the Hoover campaign in 1928 and again in 1932. Early in 1928 I introduced a resolution urging immediate action on the St. Lawrence waterway and immediately Frank B. Kellogg, then Secretary of State, called me to his office and asked me not to press my resolution. He showed me the confidential draft of a treaty with Canada and said that arrangements had been about completed looking to the nomination of Hoover and his election would insure the building of the waterway. Kellogg and Craig both told Members of Congress and the people of the Northwest to elect Hoover and we would get the waterway.

In 1928 the people did elect Hoover. He was President for 4 years and never even brought the treaty up for ratification. He betrayed the people of the Northwest who voted for him on that issue. The Tidewater Association betrayed them because never once during those 4 years Hoover was in office did Mr. Craig's association ever complain or insist that action on the treaty be had. Not once during those 4 years or since has Mr. Craig's association done a single act offensive to the Morgan-controlled railroad interests in New York or the power interests who own and operate the Chicago Drainage Canal.

Not a single opponent of the waterway has ever charged or expressed any resentment against Mr. Craig or the association because of their activities in behalf of the waterway.

Think of it! This association was paid over $500,000 in public cash, no accounting, no expense vouchers, no real records, over a period of 15 years, and they did not do enough for the waterway to incure the ire or even displeasure of a single opponent.

The people of Wisconsin and the Northwestern States want a waterway on the water to lower their cost of transportation on everything they sell and almost everything they buy. We want the waterway to restore water transportation, the one natural resource belonging to the Great Lakes States.

You will never get it with a milk-and-water organization representing us, like the St. Lawrence Tidewater Association want a waterway on paper for political purposes and to preserve their soft and extremely lucrative jobs.

If it had not been for President Roosevelt's support of the treaty, the waterway would never have had a chance of passage in the Senate. Everyone knows that. Yet the association under Mr. Craig was an active partisan supporter of Mr. Hoover in the last campaign and Hoover's backers were the Morgan-Mellon crowd who are fighting the waterway.

Once again I join Job in his deep and earnest lament, "How long, O Lord, how long."

INDEPENDENT OFFICES APPROPRIATION BILL, 1935

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 315

Resolved, That notwithstanding the adjournment of the House, the Speaker be, and he is hereby, authorized to sign enrolled bill of the House H.R. 6663, the independent offices appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The resolution was agreed to.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1935

Mr. OLIVER of Alabama. Mr. Speaker, I call up a conference report on the bill (H.R. 7513) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes.

Mr. CONNERY. Will the gentleman withhold his unanimous-consent request for the present?

Mr. OLIVER of Alabama. Yes.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent at this point to insert in the RECORD the following tribute from various sections of the country other than his own, which they have recently paid to Representative WILLIAM B. OLIVER on the anniversary of 20 years' service as a Member of the House from the State of Alabama.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Everyone knows of the high esteem and respect in which the people of the State of Alabama hold the Honorable WILLIAM B. OLIVER. The following tributes from sections of the country other than his own have recently been paid to Representative WILLIAM B. OLIVER, of Alabama, on the anniversary of his 20 years of service as a Member of the House from Alabama:

Secretary of State Cordell Hull:

"The completion of 20 consecutive years of service in the House of Representatives is an event which calls for congratulations from the friends of the Member who has achieved so long a record. The congratulations, however, which I am offering to my friend, WILLIAM BACON OLIVER, on this occasion are not so much based on the length of his service, impressive though it is, as upon the scrupulous, conscientious, and able manner in which he has discharged the responsibilities intrusted to him.

"During my period of service in the House of Representatives it was my pleasure to know him as a colleague and as a friend. I had occasion then to become familiar with the high-minded manner in which he represented his district and with the wisdom which he brought to bear upon our national problems.

"I am therefore happy to pay tribute to this prominent citizen of Alabama and leader in our National Congress, and to offer to him and to the people of his State my congratulations at this milestone in a record which we hope will reach far into the future."

In a letter addressed to Congressman OLIVER by Attorney General Cummings he said:

"The records disclose that you have served the people of the Sixth Congressional District of Alabama in the House of Representatives for 20 years.

"It is, of course, common knowledge that your distinguished service has not been confined to your constituency. As the head of the Department of Justice, whose officers have been in intimate contact with you for many years, permit me to express my appreciation for your sympathetic cooperation and constant interest in the welfare and efficiency of this Department. Law enforcement in

the United States owes much to your earnest and sincere work and helpful suggestions.

"I congratulate you upon the results of your long service. I congratulate the people of your district for their wisdom in retaining you in their and the country's service."

Secretary of the Navy Claude Swanson:

"I have known the ability and courage of my old friend from Alabama since my days in the United States Senate. I have always known the responsible position he has held as a leader in the party and in the House since the very first days he entered Congress two decades ago. He has shown the qualities of statesmanship that I am always proud to see in Members from the South. Always interested in the welfare of his State and his section, he has always shown that broad-minded nationalism which truly indicates a great American. We are all proud of him."

Secretary of Commerce Daniel C. Roper:

"I believe he is now rounding out two decades of service in the House of Representatives. It has been my pleasure to observe him intimately these 20 years, and I want to congratulate him on the splendid record which he has made during this time.

"Many men serve effectively and conscientiously for their districts, but few men serve their districts and the entire country as effectively. The former is a good Congressman; the latter is a statesman. These critical times emphasize the importance to the country of the breadth of service which comprehends our entire country. As a friend and as an American citizen I take pride in his record and in his conscientious and able service on the Appropriations Committee. I hope that he will be able to render many more years of such service, and I trust that many years of service lie before him."

Secretary of Labor Frances Perkins:

"Congratulations to Representative OLIVER in his 20 years of loyal and devoted service in his district, State, and Nation. It has been marked by courage, intelligence, and vision in the performance of tasks performed in the interests of all of the people of the Republic. During the past year it has been a source of gratification and pleasure to know him."

Speaker of the House of Representatives HENRY T. RAINEY:

"As a member of the Appropriations Committee of the House he has handled the bills committed to his care with a wisdom and a thoroughness that has saved thousands of dollars to the taxpayers and to the Treasury. In the momentous days of the past year he has not only given loyal and devoted support to President Roosevelt but he has been a valiant champion of the new-deal program.

"In felicitating him on his twentieth anniversary of service in the House of Representatives I do so in the belief that he is now at the point of his greatest service to his constituents and to the country. I am confident that my appreciation of him and his services is shared by all of the Members of the House of Representatives, irrespective of party lines, and that his very high standing in the Congress must be a source of gratification to his constituents."

Senator JOSEPH ROBINSON, of Arkansas, Democratic floor leader:

"There is no better-liked Member of the House than Representative OLIVER. There is no leader so responsive to a call from his leader at the White House. During the many years I have known him he has been an effective public servant to his district and State. He has always exhibited those qualities of statesmanship which have marked our most noted Members of either body of Congress."

Representative JOSEPH BYRNS, of Tennessee, Democratic floor leader:

"No man in the House has rendered more devoted and faithful life service to his district, State, and Nation than BUCK OLIVER, who has just completed 20 years of service in the House. I served with him for many years on the Appropriations Committee. I know that his influence is felt in all of our legislative deliberations. In addition to that, he is one of the most influential and popular Members of the House. The people of his district are to be congratulated on their representation here."

Senator MCKELLAR, of Tennessee:

"I have known Representative OLIVER since our days in the University of Alabama and he has always been one of my closest friends. I wish to join with others in congratulating him on his long service as a Member of the House. I know that he has devoted his life to the service of his district and State, and it is gratifying to know that this service has been recognized by his fellow Alabamans. He has shown those qualities of statesmanship which have marked the greatest figures in our national history."

Representative SNELL, of New York, Republican floor leader:

"Although on the opposite side of the aisle, I have always admired the ability and courage with which Representative OLIVER has handled his appropriation bills, whether in the majority or in the minority. He has always been eminently fair to Members on both sides. This has enabled him to do much effective work for his party. I admire his statesmanlike qualities."

Representative BUCHANAN, of Texas, Chairman of the Appropriations Committee:

"Representative OLIVER has been one of the most valuable members of my committee. He has helped save his country millions of dollars each year. To him has been entrusted some of the most important appropriation bills, including those for the Navy and other large Federal departments. He is an expert in fiscal matters and his judgment is trusted by me and every other member of our committee."

Mrs. GREENWAY, Representative from Arizona:

"Some people are truly what the rest of us would like to be, and Congressman OLIVER is an example. He possesses self-restraint that bespeaks wisdom and strength, modesty that evidences the habit of power, and a presence that all unconsciously revives and sustains one's faith in the ideal of public service. To hear his least comment is to recognize a statesman."

Representative CONNERY, Chairman of the Labor Committee, Massachusetts:

"Representative OLIVER is one of my close personal friends. I have always admired him as one of our finest Members; courteous, kindly, able, and courageous. In those matters in which I have been particularly interested Mr. OLIVER has always exhibited the keenest and most sympathetic interest. He has the courage of his convictions and always votes as he believes is in the best interest of his country. No Member of the House enjoys in larger degree the respect and confidence of his colleagues than Mr. OLIVER, on both sides of the aisle. In presenting important appropriation bills assigned to him he is always informative and his remarks carry conviction. I may say he is one of the most indispensable Members of the House."

Representative TABER, of New York, member of the Appropriations Committee:

"For 12 years Representative OLIVER and I have been on the committee together. During that time he and I have been close personal friends. There is no man who gives more of himself to the public service than he does. I am delighted to congratulate him on his 20 years as a Member of the House."

Representative COOPER of Ohio, Republican member of Interstate Commerce Committee:

"Congressman OLIVER has been in Congress as long as I have. He has been a worthy foe on the other side of the aisle. We have always seen eye to eye on labor problems. He has always been a friend of organized labor and the workingman. I congratulate him on his long service."

Representative PATMAN, of Texas:

"I think Congressman OLIVER is one of the most sincere and able men in the House. He has as many friends as any other Member of the House. I think this is particularly important in view of the fact that as a Congressman he has two constituencies—one his district and one the House. A Representative cannot work as effectively for his district unless he is popular in his House district. I have been most impressed with the efficient and courageous manner with which Mr. OLIVER has been able to handle the important bills assigned to him on the floor."

EXTENSION OF REMARKS

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by including a certain portion of the hearings before the Committee on Agriculture on the sugar bill in order to give the information requested by the gentleman from Kentucky.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1935

The SPEAKER. The Clerk will report the conference report.

The Clerk read the conference report.

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. 7513; Rept. 1050) "making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, 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 7, 9, 17, 20, 28, 33, 35, and 36.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 10, 11, 12, 13, 14, 16, 18, 22, 23, 25, 26, 27, 29, 30, 31, 32, 34, 37, 39, 42, and 43, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided further*, That no part of this appropriation shall be used for allowances for living quarters, including heat, fuel, and light in an amount exceeding $3,000 for an ambassador or a minister, and not exceeding $1,700 for any other Foreign Service officer:"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment, insert the following: ": *Provided further*, That no part of the appropriation made herein shall be expended for the purchase of old buildings"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and not to exceed $1,700 for any one person,"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ": *Provided*, That the maximum allowance to any officer shall not exceed $1,700"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", not to exceed $1,700 for any person"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$165,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$3,700,000, of which not less than $200,000 shall be expended for veterans' placement service and"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 5, 8, 19, and 21.

WILLIAM B. OLIVER,
ANTHONY J. GRIFFIN,
CLIFFORD A. WOODRUM,
ROBERT L. BACON,
FLORENCE P. KAHN,
Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL, JR.,
GERALD P. NYE,
KEY PITTMAN,
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. 7513) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1935, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report as to each of such amendments, namely:

STATE DEPARTMENT

On amendment no. 2: Allows $1,454,000 for living quarters allowances of Foreign Service officers, as provided by the Senate, instead of $500,000, as appropriated by the House.

On amendment no. 3: Allows $2,225,955 for allowances for rent, heat, fuel, and light allowances in the Foreign Service, State Department, as provided by the Senate, instead of $1,271,955, as provided by the House, and makes $238,000 immediately available.

On amendment no. 4: Places a limitation on rent, heat, fuel, and light allowances to prohibit use of the appropriation to pay ambassadors or ministers more than $3,000 each annually and Foreign Service officers more than $1,700 each per annum.

On amendment no. 6: Agree to the Senate amendment appropriating $1,165,000 for Foreign Service buildings, with an amendment prohibiting the use of the appropriation for the purchase of old buildings.

On amendment no. 7: Restores the limitation proposed by the House on the appropriation for rescue, relief, and protection of American seamen preventing use of the appropriation to pay steamship owners or operators for transporting shipwrecked seamen if the last previous service of the seaman was on a vessel of such owner or operator and was not terminated by desertion.

On amendment no. 9: Appropriates $54,200 for technical investigations under the International Joint Commission, as proposed by the House, instead of $74,200, as proposed by the Senate.

JUSTICE DEPARTMENT

On amendment no. 10: Grants an appropriation of $1,216,500 for salaries in the office of the Attorney General, as proposed by the Senate, instead of $1,044,230, as provided by the House.

On amendment no. 11: Makes an appropriation of $10,130, as proposed by the Senate, for purchase of books, Department of Justice, instead of $8,500, as provided by the House.

On amendment no. 12: Makes an appropriation of $86,000, as proposed by the Senate, for contingent expenses, Department of Justice, instead of $85,000, as proposed by the House.

On amendment no. 13: Makes an appropriation of $282,000, as proposed by the Senate, for printing and binding, Department of Justice, instead of $275,000, as proposed by the House.

On amendment no. 14: Appropriates $37,000 for traveling and miscellaneous expenses, as proposed by the Senate, instead of $25,000, as provided by the House.

On amendment no. 15: Amends the Senate amendment in striking out the limitation on heat, light, fuel, and rent allowances for employees of the United States Court for China by increasing the limitation to not to exceed $1,700 to any one person.

On amendment no. 16: Corrects a typographical error in transformation of a line in the bill.

On no. 17: Appropriates $2,344,580 for salaries and expenses of district attorneys, as proposed by the House, instead of $2,494,580, as provided by the Senate.

On no. 18: Makes $50,000 of the appropriation for salaries and expenses of special attorneys immediately available as proposed by the Senate.

On no. 20: Strikes out the amendment inserted by the Senate placing certain limitations upon the use of the prison industries working capital fund.

COMMERCE DEPARTMENT

On no. 22: Appropriates $40,000 for expenses of the Federal Employment Stabilization Board, as proposed by the Senate, instead of $30,000, as provided by the House.

On no. 23: Increases the amount expendable for personal services in Washington by the Federal Employment Stabilization Board by $10,000, as proposed by the Senate, consistent with action taken on amendment no. 22.

On no. 24: Amends the Senate amendment striking out the limitation on heat, light, fuel, and rent allowances for officers in the Foreign Commerce Service of the Bureau of Foreign and Domestic Commerce by increasing the limitation to not to exceed $1,700 to any one officer.

On no. 25: Corrects an error in spelling of a word as proposed by the Senate.

On no. 26: Inserts the appropriation of $57,125 for salaries and expenses under the appropriation heading "Fishery industries", Department of Commerce, as proposed by the Senate, instead of $58,840, as proposed by the House.

On no. 27: Restores the paragraph of appropriation for enforcement of the black bass law, Department of Commerce, as proposed by the Senate.

On no. 28: Strikes out the amendment proposed by the Senate for the survey of fishes in the State of Mississippi.

On no. 29: Appropriates $30,000 as provided by the Senate for purchase of books, Patent Office, instead of $25,000, as proposed by the House.

On no. 30: Corrects a code title reference.

On no. 31: Corrects an omission of a word.

On no. 32: Corrects spelling of a word.

On no. 33: Strikes out the limitation inserted by the Senate prohibiting use of funds appropriated for the Shipping Board for maintenance of a sea-service bureau.

On no. 34: Corrects an omission of a word.

LABOR DEPARTMENT

On no. 35: Appropriates $53,000 as proposed by the House for contingent expenses, Department of Labor, instead of $57,100, as provided by the Senate.

On no. 36: Strikes out the limitation on salaries of commissioners of conciliation proposed by the Senate.

On no. 37: Allows $22,600 of the appropriation for the Immigration and Naturalization Service to be used for living-quarters allowances, as proposed by the Senate, instead of $7,000, as provided by the House.

On no. 38: Amends the Senate amendment in striking out the limitation on heat, light, rent, and fuel allowances for employees of the Immigration and Naturalization Service stationed abroad, by increasing the limitation to not to exceed $1,700 for any one person.

On no. 39: Appropriates $3,700,000, as proposed by the Senate, for the United States Employment Service, instead of $1,590,000, as provided by the House.

On no. 40: Amends the Senate amendment increasing the amount available by the United States Employment Service for personal services in the District of Columbia from $135,000 to $190,000 by making the figure $165,000.

On no. 41: Amends the Senate amendment by providing that $200,000 of the appropriation for the United States Employment Service shall be expended for veterans' placement service.

On no. 42: Authorizes not more than $3,000,000 to be apportioned to the States under the Wagner-Peyser Act by the United States Employment Service, as agreed to by the Senate, instead of $1,125,000, as agreed to by the House.

On no. 43: Inserts the amendment proposed by the Senate preventing the use of any appropriation in the act to pay any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve of such nomination.

WILLIAM B. OLIVER,
ANTHONY J. GRIFFIN,
C. W. WOODRUM,
ROBERT L. BACON,
FLORENCE P. KAHN,
Managers on the part of the House.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. SNELL. So far as I know, there is no opposition on this side to the conference report, but the gentleman from New York [Mr. FISH] and the gentleman from Illinois [Mr. BRITTEN] would like a few minutes on the conference report.

Mr. OLIVER of Alabama. I may say to the gentleman from New York that the senior minority member of the subcommittee [Mr. BACON] was called away on account of a death in his family. He told me that he was in hearty concurrence with the conference report.

Mr. SNELL. He so advised me.

Mr. OLIVER of Alabama. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, at the outset of my remarks, I want to commend the distinguished services of our colleague, WILLIAM B. OLIVER, who has now served in this House for 20 years. He is even known up in the wicked North, in my district, where he has a friend in Col. James E. Dedman, who is in charge of the Castle Point Hospital, and every time I see him he wants to know how his old friend, BUCK OLIVER, is. Belonging to the other party, I am glad to state, without fear of contradiction, that Representative OLIVER is an outstanding leader of his party and typifies in the House, from long training and experience, what a Member with such seniority should be. He has the ability, industry, and knowledge to legislate properly and intelligently; and as a ranking Republican member of the Committee on Foreign Affairs, I want to commend him for his knowledge of foreign affairs upon the Appropriations Committee and congratulate him on the way he has handled such appropriations in his committee. [Applause.] I know full well that all Members of the House on this side join with me in hoping he will be here for another 20 years. [Applause.]

I wish to say a few words about that part of this conference report which calls for an appropriation of $1,100,000 for an embassy at Moscow.

About 4 months ago, when the President suddenly determined on recognizing Soviet Russia, the members of the "brain trust" who were most active in trying to show preference to Russia, told the American people that we would do a billion dollars' worth of trade if we merely recognized the Soviet Government and that it would buy hundreds of millions of dollars' worth of cotton from us.

I take this occasion to point out that last year, or in 1933, we only did $8,717,000 worth of export trade with Russia, and in 1932 our exports amounted to $12,466,000, and yet we are providing an embassy over there that will cost probably $1,200,000 before we are through, or one seventh of the amount of our export trade. We exported to Germany about $139,000,000 worth of our goods in 1933, and we have no embassy building there.

I am not opposing this appropriation. So long as we have recognized Soviet Russia, we should have an embassy, and we should have a dignified embassy, but I am pointing out that if we are going to build an embassy in Moscow we at least should build one in Berlin and one in Rome. Over 100 American citizens will go to Berlin and Rome for every one that goes to Moscow; and so far as trade is concerned, our trade with both of the other countries is at least 10 times as much as it is with Russia.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. FISH. Yes.

Mr. OLIVER of Alabama. I recognize the importance of our trade with both of the countries to which the gentleman has referred. I think a mistake was made by the Foreign Building Commission in the purchase of old buildings in Berlin and also in Rome. The gentleman from New York will recall that we now own a building in Rome and one in Berlin, the one in Berlin cost about $1,750,000, and the one in Rome about $1,250,000. We had hoped that one of the buildings in Rome could be transformed into a residence, but later we found this to be impracticable. I feel the purchase was a mistake and for that reason we inserted in this bill a proviso that no part of this money should be used for the purchase of old buildings.

Mr. FISH. After we have passed this legislation and provide this money for building an American Embassy building in Moscow, I hope the gentleman will help to provide sufficient funds to build one in Berlin and one in Rome.

[Here the gavel fell.]

Mr. OLIVER of Alabama. Mr. Speaker, I yield the gentleman 2 additional minutes, and I may say to the gentleman that we do own a building in Berlin which cost $1,750,000.

Mr. FISH. That building burned down.

Mr. OLIVER of Alabama. No.

Mr. FISH. It was gutted by a fire and is not being used.

We do not own the ground at Moscow; we take it on a 99-year lease, and therefore we do not control the land. It is located 2½ miles out of the center of Moscow. How American citizens are going to get there, I do not know. There are no taxicabs. It is out of the center of the city where the hotels are located and where business will be done. You might as well build an embassy in Chevy Chase as to build this where we are building it.

It is a beautiful location in a park on the Moscow River and will make a beautiful residence for the Ambassador, but as far as the American citizens are concerned, I do not

know how they are going to get there unless we establish a fleet of taxicabs.

I made a few remarks the other day in which I said I had come to the conclusion that Mr. William C. Bullitt, our Ambassador, was a pretty smart man, that he knew a good deal about Russia and might be smart enough to be able to take care of himself. Only yesterday, however, I read in a newspaper that our new Ambassador at Moscow for whom we are providing this palatial residence, is about to enter into an agreement with high Soviet officials in an effort to have the United States and Soviet Russia enter into the League of Nations together. That is the report in the newspaper. I hope we are not paying an American Ambassador to go to Moscow in order to get us into the League of Nations with Soviet Russia. I believe in keeping out of entangling alliances, and in not getting into any agreement with Soviet Russia or any other foreign nation for the purpose of entering the League of Nations. [Applause.]

Mr. OLIVER of Alabama. Mr. Speaker, in view of the very gracious remarks of my good friend, the gentleman from New York, it is difficult for me just now to disagree with him about anything. [Laughter.]

I may say that the President of the United States from newspaper statements is not at this time in favor of our entering the League of Nations. [Applause.] I will say to the gentleman that the cost of the Embassy in Moscow is to be less than the cost of the Embassy in Tokyo, and it is thought that the Embassy they have planned in Moscow will be far more complete. It is a beautiful location, as reported to the committee, and the committee seemed to be in full agreement as to the suitability of the site.

The President sent a very strong letter to both the House and the Senate in favor of this program. It involves a 99-year lease at a nominal yearly payment of $2,000, which is less than one half of 1 percent of the actual value of the land, the conferees were informed.

I now yield 5 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, before I address myself to the conference report, I would like to take this opportunity to say something about my good friend Buck in addition to what my colleague from New York has just said.

The gentleman from Alabama knows a lot about foreign affairs, but I want to say that he knows more about naval affairs than he does about foreign affairs. He is highly regarded for the work he has done on the Naval Affairs Legislative Committee as well as on the Appropriations Committee during his 20 years in Congress. While we all love you, Buck, some of us had an idea that you might want to go to the Senate some day from your State, so I hope you will not stay here for another 20 years, because you will then be too old to go to the Senate. Your constituents do themselves proud when they reelect you from time to time.

I rose to call attention to one or two items in the conference report. There appears to be a million dollars additional in the first item, amendment numbered 2, and another million in amendment numbered 3. They are very much alike, one applying to living-quarters allowances, amendment numbered 2, and the other applying to allowances for rent and heat, and so forth. They are very much alike, yet there is a million dollars added in each of these instances. How does that come about?

Mr. OLIVER of Alabama. While the gentleman is correct in stating that there is an increase—to be exact, $954,000—in both amendment no. 2 and amendment no. 3, amendment no. 2 merely increases the amount of the limitation by that sum while amendment no. 3 actually increases the appropriation.

Mr. BRITTEN. Why was it necessary to increase the House appropriation $1,000,000 in each instance?

Mr. OLIVER of Alabama. The appropriation was increased only to the extent of $954,000, as indicated by amendment no. 3. The House appropriation carried a very limited amount for that purpose, and the State Department, with the approval of the Budget, recommended that additional sum on account of the unusual conditions now prevailing abroad in many countries. We have put the same limitation on the amount that may be expended that has been carried in former years, and the whole matter will be very carefully watched, with a view to seeing that no excessive allowances are made to any Ambassador, Foreign Service officers, or clerks.

Mr. BRITTEN. By the usual allowances the gentleman means the $3,000 in one instance and the $1,700 in the other for the Foreign Service officer?

Mr. OLIVER of Alabama. Yes; the amounts you mention are the maximum limits.

Mr. BRITTEN. Is any of this amount made necessary by the exchange situation in the past year because we have gone off the gold standard?

Mr. OLIVER of Alabama. That may enter into it, but this appropriation will be taken into account in any sums hereafter submitted for deficiency appropriations to cover the exchange situation the gentleman refers to.

Mr. BRITTEN. I listened with considerable interest to the gentleman from New York [Mr. FISH] in what I will not call his opposition to the $1,165,000 appropriation for a new building in Moscow, and I think that when we aim to appropriate $1,000,000 for an embassy or an embassy residence in a country like Russia, where the location of the capital is always in doubt, that we should be very careful. The capital has changed several times. We have had one experience in Turkey in that respect, where we had a very beautiful legation building at Constantinople, and when the Government became weak they just moved the capital 1,000 miles or more to the east. China has done the same. I have been in Russia during recent years, and my impression is that there is danger in erecting any million-dollar building in Moscow because of the instability of the Government itself.

Gentlemen may say that the Government has been going on for 8 or 9 years, and that it is not unstable, but the capital of Russia was at one time in Peterhoff, named after Peter the Great. It was then moved from there to St. Petersburg, and that still was named after Peter the Great. The name of St. Petersburg was then changed to Leningrad, and it stayed there for a while, and finally was moved to Moscow. My impression is that the logical place for the capital is not Moscow but the place where the capital was for a long time, Leningrad. They may move back there, and if they did, the rental of a building over there would be vastly to our advantage rather than putting up a million-dollar structure, which would be useless for any local use, because the Russians do not live as we do. I am glad that the House conferees insisted on amending the amendment by providing for a new building and not the purchase of an old one, because I had carried in my files for some time this notation about the Embassy in Moscow that our Ambassador had gotten over there and had purchased an enormous building. The report that I have in mind states:

> Ambassador Bullitt (William C.) will sleep in a baby-blue bedroom, adjoining a bathroom 25 feet square, surrounded by all the glories of the Czarist era.
>
> The embassy is the palatial 40-room mansion of Russia's former sugar king (Tverkov) and has been re-done for Bullitt, but all of the dangling chandeliers and stained-glass windows and marble staircases and heavy damask hangings of the vanished days have been preserved.
>
> A dining room will seat 300 people.
>
> The show place of the embassy is the ballroom, surrounded by marble columns and decorated with crystal chandeliers 10 feet in diameter.
>
> The reception hall will accommodate 40 couples for dancing.
>
> There are eight master bedrooms.
>
> The building was completed just before the World War. The owner was shot during the revolution, and the building has since been used by various Bolshevik political bureaus.

That type of building could always be sold for something over there in the event of the removal of the capital, but the kind of building that we are going to build for more than a million and a quarter would be useless to Russians in any walk of life. I think the gentleman's amendment is good, because it will provide for the expenditure of American money for American type of construction.

Mr. OLIVER of Alabama. I do not know whether that is an accurate description of the building the gentleman refers to or not.

Mr. BRITTEN. This came from over there.

Mr. OLIVER of Alabama. If the full allowance which the State Department is permitted to make for rent, heat, and light is made to the Ambassador to Russia, he will still have to pay a very substantial amount as rent for this building. The building program which we are here providing funds for does not contemplate simply a residence for the Ambassador, but there will be quarters for all of our Foreign Service representatives who are stationed at Moscow. Likewise, there will be offices for all representatives from the different departments of our Government who may be stationed there.

Mr. BRITTEN. It is an Embassy for official purposes and a residence as well?

Mr. OLIVER of Alabama. Yes.

Mr. BRITTEN. That is the idea of the plan?

Mr. OLIVER of Alabama. Yes.

Mr. BRITTEN. I am very glad to have the gentleman's viewpoint, because I regard his opinion very highly, but I am sorry that at this time, when there is so much being said about Red activities—and there is a great deal of it in the big cities especially, much more than most of us comprehend—we should at this time be more or less throwing a flower or a kiss to the Bolsheviks in Russia. Call them what you please—Communists, Soviet States, or otherwise. I think it will be misconstrued. It will look like a little flattery. It will look as though we are going out of our way to cater to the Russians when, as the gentleman from New York said awhile ago, we might be catering in some other more desirable direction.

Mr. OLIVER of Alabama. May I say to the gentleman that I recognize there are differences of opinion, of course, as to the probable effect of the President's recognition of Russia, but I believe those who are best acquainted with conditions throughout the world feel that in recognizing Russia the President has done much to silence all rumors of war in the near future and has made a real contribution to world peace.

Mr. BRITTEN. I am not complaining about the recognition of Russia. I was speaking of the unwisdom of spending all this money now in Russia, at a time when there is so much unrest and so much fear of Communist propaganda here.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. BRITTEN] has expired.

Mr. CONNERY. Will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. CONNERY. I simply wish to ask the gentleman some questions. Of course, my tribute to my friend and colleague from Alabama is in the RECORD, which I have asked unanimous consent to extend, together with the Members of the House, the distinguished Cabinet members, and other people.

Mr. OLIVER of Alabama. All of which are very deeply appreciated.

Mr. CONNERY. The gentleman deserves all of that tribute. I should like to ask the gentleman if the entire $4,000,000 for the Unemployment Service is now in the bill?

Mr. OLIVER of Alabama. No. It is $3,700,000.

Mr. CONNERY. When the Wagner-Peyser bill was before the Committee on Labor we brought in the three legislative representatives of the veterans' organizations, the Veterans of Foreign Wars, the Disabled Veterans' organization, and the American Legion, on the question of offering an amendment to the bill which would provide for separate offices for the veterans. It was made very plain at that time, when those amendments were passed, that a separate office was to be set up every place where we had an employment office, for the purpose of obtaining positions for veterans, and they were to be in charge of a veteran. Since the law went into effect they have not been doing that, have they?

Mr. OLIVER of Alabama. No; they have not.

Mr. CONNERY. Yet it is clearly written into the bill, because we felt that a disabled veteran coming into a United States employment office would find it more difficult to get a position than an ordinary man, because a manufacturer would not want a disabled veteran, and we felt a veteran should be in charge of the office, or at least a veteran should be in charge of the veterans' part of it, to try to get positions for the disabled men. Did anything come up about that in the conference?

Mr. OLIVER of Alabama. Permit me to say that the statements made by my friend the gentleman from Massachusetts when this bill was before the House led me to conclude when we were in conference that there should be a proviso requiring that the minimum amount to be expended for veterans' placement service should be not less than $200,000, and such a proviso is carried in the conference report, which sum is an increase of $56,000 over what the Bureau stated they expected to spend for this service. In view of the gentleman's statement as to what the committee, of which he is the distinguished chairman, felt was the purpose and intent of that legislation, and how he felt it should be construed by the Department of Labor, I am confident they will make a liberal allowance for the veterans' placement service. They cannot spend less than $200,000.

Mr. CONNERY. One thing more. We have unemployment set-ups in many of the States, and the Government is going to cooperate with them, under the Wagner-Peyser bill. Will they take care of the States that do not have those set-ups?

Mr. OLIVER of Alabama. Yes.

Mr. CONNERY. In other words, will they go into States to try to encourage those employment offices?

Mr. OLIVER of Alabama. I am glad the gentleman asked that question, because I think every Member will be interested in this statement. The gentleman has correctly stated that the Wagner-Peyser Act provided that for the first 2 years the appropriations might be expended in setting up Federal employment offices without requiring the States to match the allocations made to the States.

We find that for the first year the Department had not been carrying out the law in this regard. So after this bill went to the Senate, and after the House had denied the full amount recommended by the Budget, since we did not want to pile up appropriations unless they were to be spent, I conferred with the Secretary of Labor and found that she was entirely sympathetic to setting up immediately these Federal employment offices in every State, under authority vested in the Secretary by the Wagner-Peyser law, and there will be speedily set up in every State employment offices within the limits of the amounts which the appropriations for the fiscal years 1934 and 1935 allow to the several States for this purpose. Forty legislatures meet early in 1935, and if these employment offices are rendering a worthwhile service we feel sure that the States will see that the offices are continued by matching Federal appropriations for the fiscal year 1936, since the law requires this beginning with the fiscal year 1936.

Mr. CONNERY. I thank the gentleman.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. OLIVER of Alabama. Yes.

Mr. GOSS. Can the gentleman inform us what the architecture of this building will be? There is a rumor that it will be something like our university down at Monticello, Va.

Mr. OLIVER of Alabama. I think that is the tentative plan they are considering.

Mr. GOSS. Has it been approved?

Mr. OLIVER of Alabama. I cannot say it has been approved. A commission composed of 3 Cabinet officers, 2 members from the Foreign Affairs Committee of the House, and 2 members from the Foreign Relations Committee of the Senate constitute the Foreign Building Commission and are clothed with full authority to determine the type and character of the buildings to be constructed within the limits of the appropriation carried.

Mr. GOSS. Is it to be built by Russian labor?

Mr. OLIVER of Alabama. I think only unskilled Russian labor will be used; and all of the material except such as cannot be transported at a reasonable cost will be purchased and transported from this country.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first Senate amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 1: Page 5, line 6, strike out the word "appropriation" and insert "or any existing appropriation for printing and binding of these papers."

Mr. OLIVER of Alabama. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 5: Page 9, after line 14, insert:

"COST OF LIVING ALLOWANCE, FOREIGN SERVICE OFFICERS

"For allowances to diplomatic, consular, and Foreign Service officers and clerks, wherever the cost of living may be proportionately so high that, in the opinion of the Secretary of State, such allowances are necessary to enable such officers and clerks to carry on their work efficiently, as authorized by the act approved February 23, 1931 (U.S.C., supp. VI, title 22, secs. 12, 23a), $300,000, of which amount not to exceed $100,000 shall be immediately available."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate no. 5 and agree to the same with the following amendment:

The Clerk read as follows:

Mr. OLIVER of Alabama, moves that the House recede from its disagreement to the amendment of Senate no. 5 and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"COST OF LIVING ALLOWANCE, FOREIGN SERVICE OFFICERS

"To carry out the provisions of the act approved February 23, 1931 (U.S.C., supp. VI, title 22, secs. 12, 23c) relating to allowances and/or additional compensation to diplomatic, consular, and Foreign Service officers and/or clerks when such allowances and/or additional compensation are necessary to enable such officers and/or clerks to carry on their work efficiently: *Provided*, That such allowances and/or additional compensation shall be granted only in the discretion of the President, and under such regulations as he may prescribe, $300,000, of which amount not to exceed $100,000 shall be immediately available."

The SPEAKER. The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 8: Page 15, lines 2 and 3, strike out "$3,500; in all, $579,948" and insert the following: "$4,075; in all, $580,523, together with such additional sums, due to increases in rates of exchange as may be necessary to pay in foreign currencies the quotas and contributions required by the several treaties, conventions, or laws establishing the amount of the obligation for the fiscal years 1934 and 1935."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate no. 8 and agree to the same with the following amendment.

The Clerk read as follows:

Mr. OLIVER of Alabama moves that the House recede from its disagreement to the amendment of the Senate no. 8 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "$3,500; in all, $579,948, together with such additional sums, due to increases in rates of exchange as may be necessary to pay in foreign currencies the quotas and contributions required by the several treaties, conventions, or laws establishing the amount of the obligation for the fiscal years 1934 and 1935".

The SPEAKER. The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 19: Page 33, line 15, after "$10,000", insert the following: "*Provided further*, That reports be submitted to the Congress on the 1st day of July and January showing the names of the persons employed hereunder, the annual rate of compensation or amount of any fee paid to each, together with a description of their duties."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 21: Page 44, after line 23, insert the following: "*Provided*, That a report be submitted to Congress on the 1st day of the next regular session showing the names of the persons employed hereunder, the annual rate of compensation paid to each, together with a description of their duties."

Mr. OLIVER of Alabama. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

Mr. OLIVER of Alabama. Mr. Speaker, I think this statement will prove of interest: All of the increases inserted by the Senate represent Budget estimates submitted by the President to the Senate after the bill left the House. It may be of interest also to know that for the fiscal year 1932 there was appropriated for these four departments $139,069,937.34. The pending bill for these same four departments carries $88,884,522, showing a saving since the fiscal year 1932 of $50,185,415.34. [Applause.]

On motion of Mr. OLIVER of Alabama, a motion to reconsider the votes by which the action was taken on the Senate amendments was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BACON, indefinitely, on account of death in family.

To Mr. BECK (at the request of Mr. DARROW), for three days.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported 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. 7966. An act to authorize the Postmaster General to accept and to use landing fields, men, and material of the War Department for carrying the mails by air, and for other purposes.

BILL 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, a bill of the House of the following title:

H.R. 5863. An act to prevent the loss of the title of the United States to lands in the Territories or Territorial possessions through adverse possession or prescription.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 27, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

(Tuesday, Mar. 27, 10:30 a.m.)

The Naval Affairs Committee will hold hearings in the committee room on H.R. 8820, to amend section 1 of an act approved May 6, 1932, and will continue hearings on S. 1103

and S. 1104, to authorize the Secretary of the Navy to proceed with certain public works at the naval air station at Pensacola, Fla.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, Mar. 27, 10 a.m.)

Hearing on railroads—full crew, car length, and 6-hour-day bills.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STEAGALL: Committee on Banking and Currency. S. 2999. An act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes; with amendment (Rept. No. 1075). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DICKSTEIN: Committee on Claims. H.R. 529. A bill for the relief of Morris Spirt; with amendment (Rept. No. 1052). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 1792. A bill for the relief of Michael Petrucelli; with amendment (Rept. No. 1053). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H.R. 2671. A bill for the relief of R. A. Chambers; with amendment (Rept. No. 1054). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H.R. 2674. A bill for the relief of the estate of Ambrose R. Tracy and his children; without amendment (Rept. No. 1055). Referred to the Committee of the Whole House.

Mr. THOM: Committee on Claims. H.R. 3243. A bill for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased; with amendment (Rept. No. 1056). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 3782. A bill for the relief of Gladding, McBean & Co.; with amendment (Rept. No. 1057). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 4446. A bill for the relief of E. E. Hall; with amendment (Rept. No. 1058). Referred to the Committee of the Whole House.

Mr. BLANCHARD: Committee on Claims. H.R. 4672. A bill for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey; with amendment (Rept. No. 1059). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 5409. A bill for the relief of Lawrence S. Copeland; with amendment (Rept. No. 1060). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H.R. 5584. A bill for the relief of William J. Kenely; with amendment (Rept. No. 1061). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 5835. A bill for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce; without amendment (Rept. No. 1062). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 5947. A bill authorizing adjustment of the claim of the Western Union Telegraph Co.; with amendment (Rept. No. 1063). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 6350. A bill for the relief of Arthur Smith; with amendment (Rept. No. 1064). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H.R. 6945. A bill for the relief of John B. Grayson; with amendment (Rept. No. 1065). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H.R. 6998. A bill for the relief of Capt. Frank J. McCormack; with amendment (Rept. No. 1066). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H.R. 7736. A bill for the relief of Rocco D'Amato; with amendment (Rept. No. 1067). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 8650. A bill for the relief of B. J. Sample; with amendment (Rept. No. 1068). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 8688. A bill for the relief of Stella E. Whitmore; without amendment (Rept. No. 1069). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 8727. A bill for the relief of the First State Bank & Trust Co., of Mission, Tex.; without amendment (Rept. No. 1070). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. S. 870. An act for the relief of L. R. Smith; with amendment (Rept. No. 1071). Referred to the Committee of the Whole House.

Mr. BROWN of Kentucky: Committee on Claims. S. 1540. An act for the relief of the Concrete Engineering Co.; with amendment (Rept. No. 1072). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. S. 2139. An act for the relief of the Western Union Telegraph Co.; with amendment (Rept. No. 1073). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. S. 2688. An act to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and citizens' military training camps; without amendment (Rept. No. 1074). Referred to the Committee of the Whole House.

Mr. YOUNG: Committee on War Claims. S. 2002. An act for the relief of R. S. Howard Co., Inc.; with amendment (Rept. No. 1076). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on the Post Office and Post Roads was discharged from the consideration of the bill (H.R. 8514) authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property; and the same was referred to the Committee on Public Buildings and Grounds.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. JONES: A bill (H.R. 8829) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity future exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges, by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. PRALL: A bill (H.R. 8830) authorizing the Interboro Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across New York Bay between Brooklyn and Staten Island; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: A bill (H.R. 8831) to provide for additional compensation to jurors in criminal cases; to the Committee on the Judiciary.

By Mr. CELLER: A bill (H.R. 8832) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. MALONEY of Connecticut: A bill (H.R. 8833) to authorize the coinage of 50-cent pieces in commemoration

of the three hundredth anniversary of the founding of the Colony of Connecticut; to the Committee on Coinage, Weights, and Measures.

By Mr. BOEHNE: A bill (H.R. 8834) authorizing the owners of Cut-Off Island, Posey County, Ind., to construct, maintain, and operate a free highway bridge or causeway across the old channel of the Wabash River; to the Committee on Interstate and Foreign Commerce.

By Mr. LUNDEEN: A bill (H.R. 8835) authorizing the establishment of a filing and indexing service for useful Government publications; to the Committee on the Library.

By Mr. SCRUGHAM: A bill (H.R. 8836) to amend the Securities Act of 1933; to the Committee on Interstate and Foreign Commerce.

By Mr. BULWINKLE: Resolution (H.Res. 313) to create a select committee to investigate certain statements made by one Dr. William A. Wirt, and for other purposes; to the Committee on Rules.

Also, resolution (H.Res. 314) to provide for expenses for the investigation of House Resolution 313; to the Committee on Accounts.

By Mr. BAILEY: Joint resolution (H.J.Res. 307) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BEITER: A bill (H.R. 8837) for the relief of Joseph Edward Zins; to the Committee on Naval Affairs.

By Mr. BLAND: A bill (H.R. 8838) granting a pension to Neva Dobbins; to the Committee on Pensions.

By Mr. CARTER of California: A bill (H.R. 8839) granting a pension to Maud E. Murphy; to the Committee on Pensions.

By Mr. GOLDSBOROUGH: A bill (H.R. 8840) for the relief of William Zeiss; to the Committee on Claims.

By Mr. GRANFIELD: A bill (H.R. 8841) for the relief of Edward H. Baines; to the Committee on the Civil Service.

By Mr. GRISWOLD: A bill (H.R. 8842) for the relief of Arthur Smith; to the Committee on Claims.

By Mr. SMITH of Virginia: A bill (H.R. 8843) authorizing the President to appoint Henry Beckwith Taliaferro, formerly an ensign, United States Navy, to his former rank as ensign, United States Navy; to the Committee on Naval Affairs.

PETITIONS, ETC.

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

3274. By Mr. BOYLAN: Resolution adopted at the regular meeting of the New York Typographical Union, No. 6, New York City, favoring the Connery 30-hour week bill; to the Committee on Labor.

3275. Also, letter from the Wholesale Marble Dealers Credit Association, New York City, favoring House bills 7481 and 8278; to the Committee on Appropriations.

3276. Also, resolution adopted by the American Institute of Mining and Metallurgical Engineers, New York City, urging adequate support for the Bureau of Mines and Geological Survey; to the Committee on Agriculture.

3277. Also, letter from the Central Trades and Labor Council of Greater New York and Vicinity, New York City, endorsing the protest submitted by the New York Letter Carriers' Association, Branch No. 36, against wage reductions and payless furloughs; to the Committee on the Post Office and Post Roads.

3278. By Mr. CARTER of California: Petition of the Council of the City of Alameda, Calif., No. 1829, opposing the 5 cents a pound excise tax on coconut oil; to the Committee on Ways and Means.

3279. By Mr. CULKIN: Resolution of Hope Grange, No. 115, favoring the enactment of House bill 6612, prohibiting the manufacture and sale of butter substitutes in the United States; to the Committee on Agriculture.

3280. By Mr. CULLEN: Petition of the Typographical Union, No. 6, New York City, urging the enactment of the Connery 30-hour work week bill; to the Committee on Labor.

3281. Also, petition of the Joint Committee of Teachers' Organizations, New York City, urging the Congress to investigate and determine if and why the Federal Government, which has billions of dollars to loan, deliberately discriminates against the city of New York in its ruling upon the city's application for a loan of only $23,000,000 upon ample security in bonds of the city of New York; to the Committee on Banking and Currency.

3282. By Mr. DEROUEN: Petition of the First Christian Church and the Church of the Nazarene, of Lake Charles, La., protesting against the enactment of House bill 7129, or any other similar bill; to the Committee on the Judiciary.

3283. By Mr. FITZPATRICK: Petition of the Joint Committee of Teachers' Organizations, New York City, N.Y., relative to the loan applied for by the city of New York for $23,000,000 to continue and extend the city's subway construction program; to the Committee on Banking and Currency.

3284. Also, petition of the Twelfth Ward Democratic Organization of the city of Yonkers, N.Y., urging the restoration of the full pay cut to Federal employees; to the Committee on Appropriations.

3285. By Mr. FORD: Resolution of the board of directors of the Young Women's Christian Association of Los Angeles, urging favorable action on the Patman motion-picture bill, H.R. 6097, providing higher moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

3286. Also, resolution of the Los Angeles Central Labor Council, urging the establishment of a maximum work week of 30 hours in industry; to the Committee on Labor.

3287. By Mr. JOHNSON of Texas: Petition of J. E. Rittersbacher, president of American Well & Prospecting Co. of Corsicana, Tex., opposing the Wagner bill, S. 2926; to the Committee on Labor.

3288. Also, petition of Brazos County Chapter, Texas Reserve Officers' Association, urging increased appropriation for Reserve officers' training; to the Committee on Appropriations.

3289. By Mr. LINDSAY: Petition of R. A. Corroon, president and chairman American Equitable Assurance Co., of New York, and other companies, opposing the Securities Act and exchange bill; to the Committee on Interstate and Foreign Commerce.

3290. Also, petition of the Reynolds Metals Co., New York City, opposing the national securities exchange bill; to the Committee on Interstate and Foreign Commerce.

3291. Also, petition of the Pittsburgh Tube Co., Pittsburgh, Pa., opposing the Wagner-Connery bills; to the Committee on Labor.

3292. Also, petition of the H. Kohnstamm & Co., Inc., New York City, opposing the Wagner labor dispute bill; to the Committee on Labor.

3293. Also, petition of the Pilgrim Laundry, Inc., Brooklyn, N.Y., opposing the Wagner bill; to the Committee on Labor.

3294. Also, petition of the Hauck Manufacturing Co., Brooklyn, N.Y., opposing the Wagner-Connery bills; to the Committee on Labor.

3295. Also, petition of the American Fruit and Vegetable Shippers Association, Chicago, Ill., concerning processing tax levied on jute bags; to the Committee on Ways and Means.

3296. By Mr. RUDD: Petition of Harry L. Denzler, Herman M. Dederer, Stanley Waitkus, and Richard R. Roberts, of Brooklyn, N.Y., opposing the passage of the Wagner-Connery bill; to the Committee on Labor.

3297. Also, petition of Hon. Frank J. Ryan, deputy commissioner, department of taxation and finance, New York City, favoring the enactment of House bill 8544; to the Committee on Ways and Means.

3298. Also, petition of H. Kohnstamm & Co., Inc., New York City, opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3299. Also, petition of R. A. Corroon, chairman and president American Equitable Insurance Co., of New York, Globe & Republic Insurance Co., of America, Knickerbocker Insurance Co., of New York, Merchants & Manufacturers Fire Insurance Co., New York Fire Insurance Co., opposing the passage of the Fletcher-Rayburn stock-control bills; to the Committee on Interstate and Foreign Commerce.

3300. Also, petition of the Pittsburgh Tube Co., Pittsburgh, Pa., opposing the passage of the Wagner-Connery bills; to the Committee on Labor.

3301. Also, petition of the Reynolds Metals Co., New York City, opposing the passage of the Fletcher-Rayburn stock-exchange control bills; to the Committee on Interstate and Foreign Commerce.

3302. Also, petition of the Hauck Manufacturing Co., Brooklyn, N.Y., opposing the passage of the Wagner-Connery bills, S. 2926 and H.R. 8423; to the Committee on Labor.

3303. By Mr. TREADWAY: Resolution of Woman's Christian Temperance Union of Adams, Mass., urging early hearings and favorable action on House bill 6097, providing higher moral standards for films entering interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, MARCH 27, 1934

(Legislative day of Tuesday, Mar. 20, 1934)

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

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days Saturday, March 24, and Monday, March 26, was dispensed with, and the Journal was approved.

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	Costigan	Johnson	Robinson, Ark.
Ashurst	Couzens	Kean	Robinson, Ind.
Austin	Cutting	Keyes	Russell
Bachman	Davis	King	Schall
Bailey	Dickinson	La Follette	Sheppard
Bankhead	Dieterich	Logan	Shipstead
Barbour	Dill	Lonergan	Smith
Barkley	Duffy	Long	Steiwer
Black	Erickson	McAdoo	Stephens
Bone	Fess	McGill	Thomas, Okla.
Borah	Fletcher	McKellar	Thomas, Utah
Brown	Frazier	McNary	Thompson
Bulkley	George	Murphy	Townsend
Bulow	Gibson	Neely	Vandenberg
Byrd	Glass	Norris	Van Nuys
Byrnes	Goldsborough	Nye	Wagner
Capper	Gore	O'Mahoney	Walcott
Caraway	Hale	Overton	Walsh
Carey	Harrison	Patterson	Wheeler
Clark	Hastings	Pittman	White
Connally	Hatch	Pope	
Coolidge	Hatfield	Reed	
Copeland	Hayden	Reynolds	

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Illinois [Mr. LEWIS], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. TRAMMELL] are necessarily detained from the Senate.

Mr. FESS. I desire to announce that the senior Senator from Rhode Island [Mr. METCALF], the junior Senator from Rhode Island [Mr. HEBERT], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

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

SIGNING BY VICE PRESIDENT OF INDEPENDENT OFFICES APPROPRIATION BILL

The VICE PRESIDENT. The Chair lays before the Senate a statement which the Clerk will read.

The Chief Clerk read as follows:

The Chair desires to announce that, under authority of the order of the Senate, he signed, after the recess on yesterday, the enrolled bill (H.R. 6663) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1935, and for other purposes, said bill having previously been reported by the Committee on Enrolled Bills as having been examined and found truly enrolled.

REPEAL OF ALASKA PROHIBITION LAW

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Maryland [Mr. TYDINGS], Chairman of the Committee on Territories and Insular Affairs, is necessarily absent on business of the Senate. I wish to present a concurrent resolution and ask unanimous consent for its immediate consideration out of order.

The bill (S. 2729) to repeal an act of Congress entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917, and for other purposes, contains the following provision:

Provided, That the Governor of the Territory of Alaska, from and after the passage and approval of this act, shall have the power and authority to grant pardons to persons theretofore convicted of violations of the aforesaid act of February 14, 1917.

In the opinion of many authorities, including the Chief Executive, and, I think, also the Attorney General, that proviso is unconstitutional. I am, therefore, presenting for the Senator from Maryland [Mr. TYDINGS] a concurrent resolution requesting that the President return Senate bill 2729 to the Senate in order that it may be revised. I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution (S.Con.Res. 11) was read, considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President is requested to return to the Senate the bill (S. 2729, 73d Cong., 2d sess.) to repeal an act of Congress entitled "An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes", approved February 14, 1917, and for other purposes.

SUPPLEMENTAL ESTIMATE FOR THE LEGISLATIVE ESTABLISHMENT (S.DOC. NO. 165)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, under the Architect of the Capitol, fiscal year 1935, for maintenance, Senate Office Building, in the sum of $84,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the mayor and council of the Borough of Cresskill, Bergen County, N.J., favoring the passage of the so-called "Kenney bill", being House bill 3082, to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to provide emergency financial facilities for municipalities, which were referred to the Committee on Banking and Currency.

Mr. TYDINGS presented a petition of sundry citizens, being members of the Farmers Union, of Carroll County, Md., praying for the enactment of the so-called "Frazier-Lemke farm loan bill", which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of sundry citizens of Cumberland, Md., and Chicago and vicinity, in the State of Illinois, praying for the adoption of Senate Resolution 154 (submitted by Mr. TYDINGS), opposing alleged discriminations against Jews in Germany, which were referred to the Committee on Foreign Relations.